



Australian Government

Department of Agriculture, Fisheries and Forestry

PRIMARY

INDUSTRIES

MINISTERIAL

COUNCIL

Record and Resolutions

Eleventh Meeting

Christchurch

24 November 2006

RECORD AND RESOLUTIONS

OF THE

PRIMARY INDUSTRIES MINISTERIAL COUNCIL

ELEVENTH MEETING

CHRISTCHURCH, 24 NOVEMBER 2006

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

ELEVENTH MEETING

CHRISTCHURCH, 24 NOVEMBER 2006

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

ELEVENTH MEETING

CHRISTCHURCH, 24 NOVEMBER 2006

COUNCIL PARTICIPANTS

The Hon Peter McGauran MP (Chairman)	Minister for Agriculture, Fisheries and Forestry Australian Government
The Hon Ian Macdonald MLC	Minister for Primary Industries New South Wales
The Hon Tim Mulherin MP	Minister for Primary Industries and Fisheries Queensland
The Hon Rory McEwen MP	Minister for Agriculture, Food and Fisheries South Australia
The Hon David Llewellyn MHA	Minister for Primary Industries and Water Tasmania
The Hon Christopher Natt MLA	Minister for Primary Industry and Fisheries Northern Territory
The Hon Jim Anderton MP	Minister of Agriculture, Fisheries, Forestry and Biosecurity New Zealand

OFFICIALS IN ATTENDANCE

[*Denotes member of the Primary Industries Standing Committee (PISC)]

Australian Government

Ms Joanna Hewitt* Department of Agriculture, Fisheries and Forestry

Dr Cliff Samson

Mr Steve McCutcheon

Secretariat

Mr Phil Lansdown

Ms Lyn Fairweather

Ms Dawn Manning

Dr Michael Coughlan

Bureau of Meteorology

Professor Alastair Robertson*

CSIRO

Ms Jennifer Meehan

Australian High Commission (Wellington)

New South Wales

Mr Barry Buffier*

Department of Primary Industries

Mr Scott Davenport

Dr Richard Sheldrake

Department of Natural Resources

Victoria

Mr Peter Harris*

Department of Primary Industries

Mr Peter Bailey

Queensland

Mr Jim Varghese*

Department of Primary Industries and Fisheries

Mr Bruce Turner

Western Australia

Mr Ian Longson*

Department of Agriculture and Food

South Australia

Mr Geoff Knight*

Primary Industries and Resources SA

Mr Don Plowman

Mr Rob Freeman*

Department of Water, Land & Biodiversity Conservation

Mr Andrew Johnson

Ms Julie Mrotek

Tasmania

Mr Kim Evans*

Department of Primary Industries, Water and Environment

Northern Territory

Mr Rod Gobbey

Department of Primary Industry, Fisheries and Mines

Australian Capital Territory

Mr Hamish McNulty*

Department of Territory and Municipal Services

New Zealand

Mr Murray Sherwin*

Ministry of Agriculture and Forestry

Mr Alan Kerr

Ms Caroline McBain

Mr George Ria

PRIMARY INDUSTRIES MINISTERIAL COUNCIL

ELEVENTH MEETING

CHRISTCHURCH, 24 NOVEMBER 2006

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

ELEVENTH MEETING

CHRISTCHURCH, 24 NOVEMBER 2006

CHAIRMAN'S OPENING COMMENTS

The Chairman welcomed Ministers to the eleventh meeting of the Primary Industries Ministerial Council.

Apologies were received from:

The Hon Bob Cameron MP (Victoria);

The Hon Paul Lennon MHA (Tasmania);

The Hon Kim Chance MLC (Western Australia);

The Hon Jon Ford MLC (Western Australia);

The Hon Gail Gago MP (South Australia); and

Mr John Hargreaves MLA (Australian Capital Territory).

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.1

DROUGHT POLICY REFORM

1. Dr Michael Coughlan from the Bureau of Meteorology, provided Council with a briefing on the drought and current climatic conditions and outlook.
2. The presentation noted that there had been no significant recovery from the last El Nino pattern with record high day-time temperatures being experienced throughout most of Australia since 2002. Following on from the dry conditions and warm day-time temperatures experienced during winter and spring, the El Nino pattern was expected to continue through summer and probably weaken in Autumn 2007. The outlook for summer is expected to be warm with a chance of drier than average conditions in Eastern Australia and little possibility of drought breaking rainfall.
3. Significant progress has been made to reform drought policy, including:
 - agreement on revised objectives for the National Drought Policy, including agreement to shift the focus from Exceptional Circumstances (EC) Interest Rate Subsidies during drought, to improved drought preparedness measures, over time;
 - development of a National Agricultural Monitoring System to make decision-making on drought faster and more objective, and provide better information to users on current climate and production conditions;
 - in-principle agreement on more consistent drought definition and declaration processes across jurisdictions; and
 - further streamlining the EC assessment processes, particularly in the handling of information to inform application and assessment processes.
4. In October 2005, Council established a reference group of key stakeholders (Australian and State Government officials, and representatives of the National Farmers' Federation, state farmer organisations and the National Rural Advisory Council – (a list of members is at [Annex B](#)) to develop proposals for improved Australian and State and Territory Government drought preparedness and management arrangements, including more consistent drought declaration processes for future droughts.
5. The reference group prepared a report ([Annex A](#)) that outlines a collaborative approach to drought policy emphasising a shift to improving drought preparedness and management by farmers.
6. The reference group's report proposed a drought policy and programme package with six elements:

- A policy framework emphasising self-reliance; increasing the focus on drought preparedness; providing appropriate assistance during severe drought events; using best science and information; maintaining and protecting the natural resource base; and facilitating early industry recovery from drought.
 - Better information on drought using standardised terminology and EC application templates populated by data from the National Agricultural Monitoring System.
 - More consistency in drought declaration processes and drought definitions across tiers of government including sequencing assistance appropriately to the severity of the event.
 - Support for farm businesses, regional groups and industry groups to prepare for, manage and recover from drought.
 - A research, development, extension and counselling package which includes the development of new technologies to manage drought and enable better use of information in areas such as climate forecasting and support to extend information sources.
 - An enhanced communication and education programme on the revised drought policy and programme package.
7. The report also recommended a monitoring and evaluation strategy to assess the effectiveness of the transition to any new arrangements.
8. Council noted that the reference group was unable to reach consensus on all aspects of a drought reform package as participants had differing views on the pace of the shift to drought preparedness and on the need for, and most appropriate form of, EC business support during drought events.

Response to the current severe drought

9. Since the reference group was established in October 2005, low rainfall and unseasonably high temperatures have exacerbated the impacts of the prolonged drought on farmers and rural communities.
10. In light of the deteriorating seasonal conditions, many jurisdictions announced a range of additional drought assistance measures in addition to the significant expenditure committed already by the Australian, State and Territory Governments during this drought through a range of ongoing drought assistance programmes and services. The additional measures included:

Australian Government

- \$350 million and \$560 million packages announced in October 2006 to extend farmers' access to EC assistance and Farm Management Deposits, and to provide additional grants for business planning and counselling services for farmers and the community;
- over \$200 million to extend EC assistance to small businesses that derive at least 70 per cent of their income from farms located in EC declared areas;
- mobile drought assistance in NSW, Victoria and Queensland to provide farmers with information on Centrelink and other Australian Government services;

NSW Government

- in early October the NSW Government announced an \$8.1 million transport subsidies package to ease the financial hardship faced by NSW farmers; and

- in late October announced that additional funding had been committed to assist farmers through the drought, bringing the total commitment to \$30 million this year. The additional funding is to help farmers and related businesses and communities better cope with the financial and emotional strains of the drought including continuing business support, the waiving of various fees and extending key programs such as Drought Support and Mental Health Workers, Emergency Household Support, Farm Family Gatherings, Drought Workshops and other Mental health initiatives.

Victorian Government

- \$114 million and \$32 million packages announced in October 2006 to provide relief for farmers (including one-on-one extension, additional rural financial counsellors, building stock containment areas, water rate relief, water tank subsidies), communities (including emergency water bores, grants to local councils, grants to agencies such as Vic Relief and Foodbank, grants to enable sports grounds and swimming pools to continue operating), infrastructure (including regional infrastructure development grants, small town development grants, irrigation infrastructure) and employment (including a drought apprenticeship retention bonus).

Queensland Government

- funding for community information sessions announced in October 2006;

Western Australia Government

- a \$5.3 million package announced in August 2006 for the Dry Season Assistance Scheme, financial counselling, farm grants and community activities, and a further \$350 000 for a new round of Farm Water Grants that was announced in October 2006;

South Australia Government

- a \$4 million package announced in October providing stamp duty relief for farmers re-financing their loans, funds to assist communities prepare EC cases, providing financial mediation support services, establishing and maintaining the Drought Link Hotline, organising more drought information workshops and additional rural financial counselling support;
- providing a free self-help booklet to rural areas on mental health announced in September 2006;

Northern Territory Government

- 380,000 hectares now subject to severe drought conditions and eligible for assistance under the Territory's Drought Assistance Arrangements; and
- \$300,000 per year for pastoral water enhancements.

The States and Territories also agreed to fund 10 per cent of the EC business support extended to farmers and small businesses.

11. In discussion, jurisdictions updated Council members on how the current drought was impacting on communities and individuals, particularly in relation to water allocations. NSW and SA also provided Council with updated data in relation to their additional drought assistance measures.
12. NSW informed Council that the additional packages announced in October brought the total commitment to over \$250 million for this drought.
13. Council was informed that SA had recently announced additional assistance through \$1.6 million in reduced water charges covering waiving of water transfer fees for

“top-up” water and a once-off exgratia payment equivalent to 40% of the NRM levy on water allocations.

14. The Chair also discussed the recent Australian Government announcement concerning the extension of exceptional circumstance assistance to small businesses. Council was informed that approximately 5,500 small businesses would be eligible for assistance in EC areas and were encouraged to support this additional assistance in jurisdictions.
15. Council noted that the additional assistance measures announced by jurisdictions focussed on immediate relief and are consistent with the approach recommended by the reference group for sequencing assistance and focussing assistance on helping farmers better manage drought. For example:
 - additional information dissemination and training is a key part of many recent packages and is consistent with improving the capability of farmers to manage drought;
 - additional support for financial and personal counselling and grants for professional business and planning advice also helps meet the need for information and support as farmers move into difficult financial circumstances; and
 - changes to the deposit cap on the Farm Management Deposits Scheme to allow farmers to build up sufficient financial reserves in anticipation of prolonged lower farm incomes during extensive and consecutive drought years.
16. Council considered that while it was appropriate to provide short term relief during the current drought, in the longer term, improvement in drought preparedness and management remained important. Council agreed that further consideration be given to the longer term options for drought management taking into account the options developed by the reference group on improving preparedness.
17. Council also considered that it would be useful to review the use and effectiveness of recent drought initiatives in the context of supporting farmers through drought and providing the foundation for improved future management and agreed to consider a report at its meeting in October 2007.

RESOLUTIONS

18. Council:
 - (a) **NOTED** the serious difficulties facing farmers and rural communities managing the prolonged drought and deteriorating seasonal conditions;
 - (b) **NOTED** the additional assistance measures being provided by the Australian, State and Territory Governments in response to the prolonged drought;
 - (c) **NOTED** the report at Annex A prepared by a reference group of key industry and government stakeholders that was formed to develop longer-term options for improved Australian and State and Territory Government drought preparedness and management arrangements, including more consistent drought declaration processes for future droughts;

- (d) **NOTED** that while the reference group could not reach a consensus on all aspects of a drought reform package, agreement was reached on many elements including a managed shift to drought preparedness and management;
- (e) **ENCOURAGED** jurisdictions to continue to provide assistance to support farmers and rural communities affected by the prolonged drought;
- (f) **AGREED** that, at an appropriate time, further consideration should be given to longer-term options for drought management taking account of the options developed by the reference group that focus on improving drought preparedness; and
- (g) **AGREED** to consider a report on the use of recently announced drought measures at PIMC in November 2007.

ANNEX A: Reference Group Report - *Towards a new drought policy*
(report is held in the PIMC Secretariat)

ANNEX B: Members of the Drought Policy Reform Stakeholder Reference Group

Members of the Drought Policy Reform Stakeholder Reference Group

Joanna Hewitt (Chair)	Secretary Australian Government Department of Agriculture, Fisheries and Forestry
Barry Buffier	Director General NSW Department of Primary Industries
Jim Varghese	Director General Qld Department of Primary Industries and Fisheries
Ian Longson	Director General WA Department of Agriculture
Peter Harris	Secretary Victorian Department of Primary Industries
Simon Ramsay	President Victorian Farmers' Federation
Peter Kenny	President AgForce
Trevor De Landgraft	President WA Farmers' Federation
Alan Brown	Chair Rural Affairs Committee NSW Farmers' Association
Charles Burke	Chair Farm Business Economics Committee National Farmers' Federation
Keith Perrett	Chair National Rural Advisory Council

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.2

EUROPEAN HOUSE BORER

1. In January 2004, a single adult specimen of EHB, *Hylotrupes bajulus* Linnaeus was discovered in an ornamental beam inside a house in an eastern hills suburb of Perth, Western Australia. An incursion response was initiated by Western Australia.
2. The eradication program proposed by Western Australia to PISC 7 (November 2004) was referred to Plant Health Committee (PHC) and Primary Industries Health Committee for further assessment and advice. The proposal was considered at the PISC 11 meeting on 19 October 2006.
3. The EHB Response Plan is outside the scope of the Emergency Plant Pest Response Deed (EPPRD) as the timber production industry is not a party to the EPPRD; the pest is not a direct pest of primary production; and the incursion was discovered before the commencement of the EPPRD.
4. The eradication, containment and management of invasive species outside the scope of existing national emergency response agreements is being considered in accordance with the Australian Biosecurity System for Primary Production and the Environment (AusBIOSEC).
5. When PHC considered the EHB Response Plan, the committee agreed that:
 - (a) EHB is a quarantine pest of significant concern which warrants control action; and
 - (b) EHB should be contained and, if possible, eradicated.
6. The feasibility of eradication of EHB could not be definitively determined at this time due to a number of technical concerns and their impact on the likely success of an eradication program. Western Australia sought national cost-sharing for a two-year surveillance and containment program, as a precursor to eradication. Council agreed to the program commencing on 1 January 2007 subject to twenty percent industry funding for year two of the program from 1 January 2008 and Treasury approval processes in jurisdictions. Council also agreed that the program be re-assessed by November 2007 with particular consideration of the feasibility of eradication, industry funding and improved cost sharing arrangements through AusBIOSEC processes for decision by Council on the continuation of the program.

RESOLUTIONS

7. Council:

- (a) **AGREED** to a 2 year program commencing 1 January 2007 for completion of surveillance and containment and further assessment of the feasibility of European House Borer (EHB) eradication in Western Australia:
- With the second year of operations and funding subject to twenty percent industry funding commencing 1 January 2008; and
 - With government funding contributions subject to Treasury approval as per Table 1; and
- (b) **AGREED** that the program be re-assessed by November 2007 by PIMC 13 for decision on continuation, based on confirmation of eradication feasibility, industry funding contribution and any improved government cost sharing arrangements being developed by the AusBIOSEC processes.

Table 1: Proposed Cost Sharing Based on Population for Phase Two of EHB Eradication Program (Jan 2007–Dec 2008)

Jurisdiction	% ²		Jan 2007 – Jun 2007	2007/08	Jul 2008 – Dec 2008	TOTAL
Australian Government	50.0		1,410,230	2,121,374	757,482	4,289,086
New South Wales	16.8		473,837	712,782	254,514	1,441,133
Victoria	12.24		345,224	519,312	185,432	1,049,968
Queensland	9.63		271,610	408,577	145,891	826,078
Western Australia ¹	4.88		137,640	207,046	73,929	418,615
South Australia	3.87		109,152	164,194	58,629	331,975
Tasmania	1.20		33,845	50,913	18,180	102,938
ACT	0.82		23,128	34,791	12,423	70,342
Northern Territory	0.56		15,794	23,759	8,484	48,037
<i>Sub-Total</i>	<i>100/80</i>		<i>\$2,820,460</i>	<i>\$4,242,748</i>	<i>\$1,514,964</i>	<i>\$8,578,172</i>
Industry	0/20 ²		\$0	\$471,417	\$378,741	\$850,158
TOTAL	100		\$2,820,460	\$4,714,165	\$1,893,705	\$9,428,330

¹ Western Australia has also expended \$9,970,740 during July 2004-December 2006.

² Industry - 20% contribution from 1 January 2008.

ANNEX A: Western Australia European House Borer Submission

WESTERN AUSTRALIA EUROPEAN HOUSE BORER SUBMISSION

KEY POINTS

1. Following 2004 detection of the exotic pest European house borer (EHB) Western Australia commenced an eradication program for EHB in accordance with PLANTPLAN guidelines and major requirements.
2. In 2004-05, 2005-06 and 2006-07 (pending a decision on national cost-sharing), the Western Australian government committed funds of \$9.97 million to carry out delimiting surveys and the initial containment phase of an EHB eradication program. Phase One (2004-06) of the EHB eradication program which included surveillance and containment activities has been completed.
3. The benefit cost analysis (BCA) indicates a return of \$64 for each \$1 invested in the eradication program.
4. It is the Western Australia view that effective containment of EHB in Western Australia leading to eradication is the only effective protection against spread of EHB to Australia's eastern states and territories.
5. To implement the two year program for Phase Two, Western Australia is proposing national cost-sharing. On completion of Phase Two, it is proposed that the program be re-assessed by PISC/PIMC for continuation of funding based on confirmation of eradication feasibility, industry funding contribution and any improved cost sharing arrangements being developed by the AusBIOSEC processes. Phase Two is costed at \$9,428,330 as detailed in Table 1.

BACKGROUND

6. EHB is one of the world's most destructive pests of seasoned pine, spruce and fir timbers. EHB infestation causes structural collapse of house roofs made from susceptible untreated pine timber. Based on the experience in South Africa, USA and Europe, it takes about 20 to 25 years from first infestation to structural collapse.
7. In January 2004, a single adult specimen of EHB, *Hylotrupes bajulus* Linnaeus was discovered in an ornamental beam inside a house in an eastern hills suburb of Perth, Western Australia. An incursion response was initiated.
8. There have been several cases of quarantine breaches of this pest – the most significant being its detection in prefabricated houses imported from Europe after World War II which resulted in a successful 20 year eradication/surveillance program and the fumigation of thousands of houses in Queensland, New South Wales, Victoria and South Australia.
9. In South Africa, infestation levels of 90% were recorded in urban areas adjacent to *Pinus pinaster* and *Pinus radiata* plantations where high populations of EHB had developed in dead pine trees. Damage to structural timbers occurred when timber

supplies changed from non-susceptible imported wood to susceptible domestically produced pine.

ISSUES

10. In Western Australia since 2000, domestically produced softwoods have replaced non-susceptible hardwoods as the dominant timber used in construction. Prior to 2000, pine timber in construction accounted for less than 5% of structural timber. It is estimated that by 2025 Australia will have over 1.2 million potentially infestable (pine framed) houses, with <10% of the national total located in Western Australia.
11. The evidence suggests there is a window of opportunity for containment and eradication of EHB, before significant populations develop in structural timbers. The change from non-susceptible wood to susceptible pine is analogous to events in South Africa, where serious structural damage occurred about 20 years after the change-over. The very low levels of infestation of “timber-in-service” found in Western Australia supports the conclusion that the incursion has been detected before any significant cross-over of EHB from dead pine trees to structural timber has occurred.
12. The key strategy for containment is the removal of infested and susceptible pine in urban and plantation environments to curtail the expansion of EHB infestation. EHB has a long generation time of two to five years, with the South African experience indicating that most (>85%) EHB can be expected to have a generation time of two to three years in dead pine trees under Australian conditions. The long generation time results in a slow build-up of EHB populations and a low rate of natural spread in the first two to three generations. This provides the time needed to find and destroy infested and susceptible pine wood.
13. A benefit cost analysis (BCA) of the containment and eradication program has been completed, with assistance on methodology from the Australian Bureau of Agricultural and Resource Economics (ABARE). The BCA indicates a positive return of \$64 for each \$1 invested in containment and eradication. The BCA estimates that over 30 years the risk of losses to Australia are \$2.4 billion (if pine treatment regulations across Australia are introduced), and \$6 billion over the next 100 years if no treatment action is taken. A second independent benefit cost analysis has been undertaken into the cost impacts on the building industry if mandatory use of preservative treated pine is enforced, and shows a positive return on using treated timber in affected areas.
14. The implications of not eradicating the EHB incursion are substantial. They include the recurrent costs of inspecting, protecting, treating, and repairing existing susceptible buildings, the irreversible social costs of depressed home equity levels (with the possibility of negative equity outcomes) leading to inter-generational equity issues, and increased building costs and impacts on plantation industries with a trend away from plantation timber use in building construction.
15. In 2005, an External Review of the EHB Response conducted by Prof Mal Nairn, Messrs John Bain (MAF, New Zealand) and Bob Eldridge (DPI, NSW) recommended that “containment with a view to eradication” should be continued for a three to four year period. The review panel supported the work being undertaken, but considered that it was not possible to determine if eradication was possible, given

the three to five year lifecycle of EHB and the short period (18 months) for which the response had been operational. The panel recommended the question of eradicability should be revisited after a further two years work.

16. The EHB eradication program is planned for implementation in four phases. Phase One (2004-06) included surveillance and containment activities (undertaken with Western Australia funding of \$9.97m) and has been completed. Phase Two (2006-08) includes completion of surveillance and containment and re-assessment of the feasibility of eradication. Phase Three (2008-15) will focus on eradication. This eradication phase will be contingent on a review and PISC/PIMC approval. Phase Four (2015-20) will focus on confirmation of eradication.
17. It is noted that the AusBIOSEC enhancement initiatives includes the development of criteria for cost sharing of activities to deal with pests and diseases of national significance that are not eradicable but where containment is considered to be in the national interest.
18. Australia has approximately 1 million hectares of pine plantations, with New South Wales and Victoria having the largest areas. Plant Health Australia is in the process of developing a plantation timber industry biosecurity plan. It is anticipated that biosecurity issues related to timber in service will be part of this national biosecurity plan including consideration of a national strategy for treatment of timber for EHB and other key pests. National negotiations have been initiated to seek a funding contribution from industry towards the containment and eradication of EHB.

FINANCIAL IMPLICATIONS

19. To implement the two year program for Phase Two Western Australia is proposing national cost-sharing. On completion of Phase Two, it is proposed that the program be re-assessed by PISC for continued funding, based on confirmation of eradication feasibility, industry funding contribution and any improved cost sharing arrangements being developed by the AusBIOSEC processes. Phase Two is costed at \$9,428,330 as detailed in Table 1 below.

Table 1: Proposed Cost Sharing Based on Population for Phase Two of EHB Eradication Program (Jan 2007–Dec 2008)

Jurisdiction	% ²	Jan 2007 – Jun 2007	2007/08	Jul 2008 – Dec 2008	TOTAL
Australian Government	50.0	1,410,230	2,121,374	757,482	4,289,086
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Tasmania	1.20	33,845	50,913	18,180	102,938
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¹ Western Australia has also expended \$9,970,740 during July 2004-December 2006.

² Industry - 20% contribution from 1 January 2008.

Western Australia Department of Agriculture and Food

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.3

TAXATION TREATMENT OF STRUCTURAL ADJUSTMENT PAYMENTS

1. The Commonwealth's Income Tax Assessment (ITA) Act 1997 (section 15.10) renders as assessable income any "bounty or subsidy" received "in relation to carrying on a business" that is "not assessable as ordinary income under section 6-5". This is essentially a catch-all provision such that even abnormal government payments are considered assessable unless specifically exempted.
2. Under this arrangement, the only point for legal clarification is whether a particular structural adjustment payment is received in relation to "carrying on a business", or not. If it is, the payment is considered assessable income under the ITA Act. If it is not, such as for "exit" assistance that requires a sale or surrender of assets or rights rather than a behavioural undertaking on the recipient's behalf, such payments are typically viewed to be capital in nature and therefore subject to Capital Gains Tax (CGT).
3. Council considered a paper from New South Wales that raised this issue in order to increase the effectiveness of government programs aimed at achieving improved adjustment outcomes, particularly in relation to natural resource management.
4. New South Wales proposed that it could be argued that such taxation significantly increases uncertainty amongst recipients in relation to the true magnitude of the assistance being offered and could interfere with efficient decision making and hence, adjustment, thereby undermining the policy objective of efficient adjustment. Furthermore, recipients of such payments were likely to require taxation advice, thereby promoting adjustment strategies driven by short term financial considerations rather than the efficient use of available resources and personal objectives.
5. It was also considered that taxing adjustment payments also created uncertainty for those governments providing such payments by making unclear the proportion of funds that are reaching target groups, versus the proportion that will be claimed by the Australian Government. Consequently, it could be difficult to design adjustment programs that efficiently address program objectives.
6. An associated issue was whether it is efficient for state and territory funds, provided for discrete public purposes, to be taxed. Further, the fact that government, albeit at different levels, is both paying adjustment assistance and then taking some of it away later in taxation suggests that significant transactions costs exist. This would appear to act against the notion of value for money in relation to government expenditure.

Precedents and inconsistencies

7. Most Commonwealth and state structural adjustment payments are presently subject to either income or capital gains tax with the exception of Australian Government's Farm Help Program – while it is subject to an assets test, the grant itself (up to \$50,000) is exempt from income tax.
8. Council noted that the paper would be considered by the NRM Ministerial Council for decision at its meeting on 24 November 2006.
9. Council noted the undertaking by the Chair to write to the Treasurer and request that the issue be considered by Treasury and Finance Ministers at their next meeting.

RESOLUTIONS

10. Council:
 - (a) **NOTED** that this item would be considered by NRMMC on 24 November 2006; and
 - (b) **NOTED** the Chair's proposal that he write on behalf of the Councils to the Treasurer requesting that the matter be placed on the agenda of the next Finance Ministers/Treasurers meetings.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.4

PROPOSAL FOR A SENATE INQUIRY ON THE NATIONAL QUARANTINE SYSTEM

1. Council considered a paper from NSW in relation to a proposed Senate Inquiry into the National Quarantine System. The paper noted that, on 14 July 2006 the Hon Minister McGauran MP, Minister for Agriculture, Fisheries and Forestry, opened a forum on quarantine and biosecurity issues to allow representatives from agricultural industries and grower organisations the opportunity to have a say about Australia's procedure for analysing import risks and maintaining an effective quarantine system.
2. On 19 July, the NSW National Farmers' Association voted to call for an urgent Senate Inquiry into the national quarantine system, the Australian Quarantine and Inspection Service and Biosecurity Australia to ensure that Australia's biosecurity system is effective.
3. In October 2006, PISC 11 agreed to establish a high level strategic forum for primary industries CEOs to meet on a regular basis to discuss Australian quarantine and biosecurity issues.
4. New South Wales noted its support for the work being done by the Australian Government on the Import Risk Analysis system and on the national quarantine system, but proposed that a Senate Inquiry could allow further debate with a view to producing a more robust, transparent system.
5. New South Wales considered that there were a number of issues of concern relating to the Australian Quarantine and Inspection Service including notification of possible and confirmed biosecurity breaches, and issues of contention surrounding roles of the Australian Government and the States in regard to biosecurity breaches.
6. In discussion, Council was informed that the Senate had conducted four separate inquiries into AQIS over the past six years and had recently rejected a proposal to conduct another. Council was also informed that following the PISC CEOs biosecurity forum in August 2006, the Australian Government had announced new appeal mechanisms for jurisdictions in relation to the IRA process. Subsequently, Council did not agree to support a Senate inquiry into the quarantine system.

RESOLUTION

7. Council **DID NOT AGREE** to support a Senate inquiry into the national quarantine system, in particular the Import Risk Analysis system.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.5

**AUSTRALIAN BIOSECURITY SYSTEM FOR PRIMARY PRODUCTION
AND THE ENVIRONMENT (AusBIOSEC)**

1. At its meeting in April 2006, PIMC 10 requested a progress report on the enhancement of the Australian Biosecurity System for Primary Production and the Environment ('AusBIOSEC'). In particular, Council agreed to consider the proposed contents of an Intergovernmental Agreement (IGA) for the implementation of AusBIOSEC arrangements, with a view to finalising a draft IGA for consideration in April 2007.

InterGovernmental Agreement

2. The current draft IGA is very much a work in progress. Standing Committee considered that it would be premature to provide the current version of the IGA to Council. A 'framework' version of the IGA was attached for noting (Annex A). It was proposed that a draft IGA would be complete for Council consideration in April 2007.

Risk Mitigation

3. PIMC 10 requested that Standing Committee report on how priority risks will be managed through AusBIOSEC, including resourcing implications.
4. The Risk Mitigation Working Group held a national workshop in April 2006 to discuss the priority issues that were identified to PISC 10 in March 2006. Subsequently, the main work of the Group has been progressed by project teams on six issues – information systems and mapping; research needs; surveillance and reporting principles; performance standards and codes of practice (focussing on development of a web portal); environmental stakeholder engagement; and diagnostic capacity. Significant work has also been done on public reporting arrangements for new detections.
5. Work is focussing on where new national approaches under AusBIOSEC could add value to existing risk mitigation strategies; national and cross-sectoral strategies for mitigating key risks; realistic timeframes and milestones for delivering on these strategies; and estimated resourcing implications, with a focus on delivering low-cost improvements where possible, and as a prerequisite for any recommendations for major new investment by Australian governments, and other parties where appropriate.
6. Advice on specific resourcing implications and priorities will be submitted to PIMC and NRMMC in April 2007.

Cost Sharing and Decision Making

7. PIMC 10 agreed to some broad approaches to national cost-sharing, including the categories of impacts that should be assessed and was also advised of a decision-making process for determining whether a national response was required.

National cost sharing

8. It was recommended that the scope for cost-sharing arrangements should be limited to new incursions of exotic species and newly emergent incursions of an existing exotic species (i.e. 'sleepers'). It could also cover irruptions of newly evolved pathogens.
9. Council also considered references to containment as being eligible for cost-sharing. Under the decision-making process being developed, initiating jurisdictions would be responsible for mounting initial responses until the National Biosecurity Management Group agreed to a national response. A case for cost-sharing long-term containment of a species where eradication is not possible would be unlikely to satisfy cost-benefit tests. In these cases, the current preference is for a long-term containment response plan only to be eligible for national cost-sharing as an exceptional and well defined event, and only if time-bound, with any extension to be based on regular reassessment of the effectiveness and the benefit/cost of continuing action. The nature and scope of AusBIOSEC response measures, and the interpretation of eradication and containment, will be settled in light of the evaluation of outcomes from the recent Sugar Cane Smut incursion. It was also considered that the scope of long-term containment responses should also be consistent with international definitions.
10. Steering Group recommended that only eligible costs over and above ongoing arrangements for an invasive species would be cost-shared, and that this should be consistent with the National Animal and Plant Cost-sharing Deeds. Work to date has focussed on emergency response arrangements. The Steering Group will undertake further work to define the IGA arrangements for ongoing management.
11. Reimbursement of the costs of initial assessment of an incursion could be considered, provided the national response plan was subsequently agreed by the National Biosecurity Management Group. Further work is needed to determine what constitutes eligible costs for this purpose.
12. Steering Group considered the case for setting a minimum expenditure threshold for national responses. Steering Group recommended against this, noting that the National Biosecurity Management Group could consider each case on its merits. It was considered that the resources required to develop a case to take to the National Biosecurity Management Group would discourage jurisdictions from doing so for inexpensive responses.
13. Steering Group agreed that national support would be conditional on initiating jurisdictions reporting incursions quickly and that cost-sharing arrangements should encourage and not create disincentives for reporting of new detections. In some cases other jurisdictions may be more vulnerable to the eventual impacts of an incursion than the jurisdiction making the first detection.
14. The Steering Group also discussed the case for the establishment of a national contingency fund for initial emergency response. The Steering Group recommended

against this, noting that existing emergency response arrangements require that the initiating jurisdiction cover initial costs of responding to an incursion until such time as a decision on a national response is made.

15. Steering Group developed a formula for determining state and territory cost-shares. Two options are outlined at Annex B. Both are based on the risk faced by a jurisdiction and the population within that jurisdiction which would benefit from a response. Standing Committee strongly prefers Option A for terrestrial and freshwater pests and recommended its acceptance by Council.
16. The proposed approach uses the actual predicted infestation area determined by the potential range modelling. The number of beneficiaries is determined by the human population which would fall within that area if each State's population is assumed to be evenly distributed within the State. Costs are then apportioned according to each jurisdiction's share of the total number of beneficiaries.
17. As there will inevitably be considerable uncertainty over the boundaries of a pest's potential distribution, it is necessary to ensure that minor variations in the determination of that boundary do not have a great impact on cost shares. This option achieves that by evenly distributing the human population so that the inclusion or exclusion of a major population centre does not prevent agreement being reached on predicted pest distribution maps.

National significance criteria

18. The joint Steering Group is in the process of refining a decision-making process which builds on the PIMC 10 decisions in April 2006. The first stage is consideration of a species for entry on a national list of emergency invasive species. When an incursion of a species on the national list occurs, the affected jurisdiction would work with the relevant technical Consultative Committee to develop a case for a national response and associated cost-sharing for submission to the National Biosecurity Management Group. Entry on the list is therefore a necessary but not sufficient condition for cost-sharing; the initiating jurisdiction would need to demonstrate that the proposed response to the incursion was feasible, and that it satisfied a cost-benefit test.
19. Detail under the draft criteria, for environmental, human health and social impacts, for adding a species to the list is being developed. While business impacts will need to be assessed for each incursion, it will be important that government cost-sharing for public good does not discourage industries from participating in cost-sharing deeds for species that significantly impact them. Accordingly, the first step in considering proposals seeking support for a national response would be for them to be tested against industry/government cost-sharing arrangements.

Institutional arrangements

20. Council previously endorsed (in-principle) the establishment of a National Biosecurity Management Group (NBMG), with flexibility in its membership, to make decisions on responses to incursions of invasive species with primary production and environmental impacts. This would fill the gap that currently exists around decision-making structures and procedures for dealing with incursions of invasive species with primarily environmental or social impacts.

21. The Steering Group is considering possible decision-making structures and procedures to support the NBMG in an operational sense, and to ensure national biosecurity policy coordination and collaboration.
22. The joint Steering Group is also considering how to improve engagement of key environmental stakeholders in biosecurity policy processes and consultation in relation to responses to pest incursions
23. Advice on specific resourcing implications and priorities for enhancing AusBIOSEC is expected to be submitted to PIMC and NRMMC in April 2007.

RESOLUTIONS

24. Council:
 - (a) **NOTED** the proposed contents of an InterGovernmental Agreement (IGA) for the enhancement of AusBIOSEC, with a draft IGA to be submitted for consideration of Council in April 2007 (Annex A);
 - (b) **NOTED** that the enhancement of AusBIOSEC is to include the management of environmental invasive species and that this will require significant additional resourcing to deliver agreed objectives. Measures would include improved surveillance and reporting, and increased capacity to diagnose and respond to incursions of environmental invasive species. Advice on specific resourcing implications and priorities will be submitted to PIMC and NRMMC in April 2007;
 - (c) **AGREED IN PRINCIPLE** to the cost sharing formula for the public good component of a national response to an incursion which is based on the risk faced by a jurisdiction and the population within that jurisdiction which would benefit from a response (Option A, Annex B);
 - (d) **AGREED** that a national response applying the cost sharing formula at Recommendation 1(c) would first require decisions that:
 - i. the incursion is of a nationally significant invasive species;
 - ii. the response would be feasible and cost-effective; and
 - iii. the incursion is not eligible for funding under other emergency response arrangements which involve industry cost-sharing;
 - (e) **AGREED IN PRINCIPLE** that the initiating jurisdiction can seek reimbursement of eligible costs, over and above ongoing management arrangements, associated with initial control activity and development of a cost-sharing submission. Such reimbursement would be subject to the national response being agreed by the National Biosecurity Management Group; and
 - (f) **NOTED** that this paper is also being considered by NRMMC.

ANNEX A: Contents List of Draft InterGovernmental Agreement to Enhance the Australian Biosecurity System for Primary Production and the Environment (work in progress)

ANNEX B: Cost sharing formulae options

WORK IN PROGRESS**InterGovernmental Agreement to Enhance
the Australian Biosecurity System for Primary Production
and the Environment****PREAMBLE****COMMENCEMENT AND TERMINATION***Commencement**Termination date***DEFINITIONS****OBJECTIVES****ROLES AND RESPONSIBILITIES****NATIONAL DECISION MAKING FRAMEWORK**

1. *Context*
2. *Institutional arrangements to underpin decision making (Committee structures, membership, Terms of Reference)*
3. *Model for pre event*
4. *Model for event*
5. *Model for post event*

NATIONAL COST SHARING ARRANGEMENTS*Emergency Management**Ongoing Management***NATIONAL APPROACH TO RESPONSE PREPAREDNESS**

Agreement to national policy approaches for:

- Generic Incident Response Plans*
- Information sharing and management*
- Research and development*
- Communication and awareness*
- Staffing and training*

Agreement to actions to implement national policy approaches.

NATIONAL APPROACH TO KEY OPERATIONAL ACTIVITIES

Agreement to national policy approaches for:

- Surveillance*
- Reporting*
- Diagnostic capacity and laboratories*

Agreement to actions to implement national policy approaches.

NATIONAL APPROACH TO ONGOING MANAGEMENT

NATIONAL INSTITUTIONAL ARRANGEMENTS

Agreement to national policy approaches for:

- Legislative and regulatory outcomes*
- National Biosecurity Management Group*
- Ministerial Councils involvement*

Agreement to actions to implement national policy approaches.

FINANCIAL ARRANGEMENTS

Agreement to any financial arrangements required to establish and implement the Australian Biosecurity System for Primary Production and the Environment.

DISPUTE RESOLUTION PROCEDURES

AMENDMENT OR VARIATION TO THE AGREEMENT PROVISIONS

REVIEW PROVISIONS

Cost sharing formulae options

Rationale

These proposals relate to the public benefit component of incursions¹ of terrestrial or aquatic species which have been determined to be of national significance and do not fall within the scope of existing cost sharing arrangements.

Ministerial Councils have agreed to the Australian Government paying 50% of the incurred costs with the remainder being shared between affected states and territories. It was further agreed that a risk based apportionment of costs should be employed if possible and that simple population shares would be employed where that was not possible².

The options presented for consideration are based on the risk to each jurisdiction. The modelled potential range of the invasive species is used as an index of that risk as more sophisticated assessments of relative impact on jurisdictions are not likely to be achievable and/or agreed for most incursions. The AusBIOSEC Steering Group will oversee the development of technical guidelines to specify as far as is possible how potential distribution areas are determined.

Each of the cost sharing options then uses this measure of jurisdictional risk exposure to determine the number of people that would benefit from an incursion management response. The apportionment of costs then takes account of both the risk exposure and the number of beneficiaries in each jurisdiction.

A wide range of options was considered and case studies developed by the Bureau of Rural Sciences³ to explore the impact of different options for various pest incursions. The Steering Group concluded that this work could be summed up through the presentation of the options discussed below as they adequately represent the broader range of options considered.

1. Terrestrial and freshwater incursions

Option A – Actual area and ‘smeared’ population

This option uses the actual predicted area determined by the potential range modelling. The number of beneficiaries is determined by the human population which would fall within that area if each State’s population is assumed to be evenly distributed within the State. Costs are then apportioned according to each jurisdiction’s share of the total number of beneficiaries.

Because there will inevitably be considerable uncertainty over the boundaries of a pest’s potential distribution, it is necessary to ensure that minor variations in the determination of that boundary do not have a great impact on cost shares. This option achieves that by evenly distributing the human population so that the inclusion or exclusion of a major

¹ Incursion means either new incursions, newly discovered old incursions or newly emergent old incursions (i.e. sleepers).

² The Australian Capital Territory and New South Wales reserved their position on this at Ministerial Council.

³ The Steering Group acknowledges the kind assistance of the Bureau of Rural Sciences in modelling the case studies.

population centre does not prevent agreement being reached on predicted pest distribution maps.

Option B – Bioregions and actual population

This option uses the predicted area rounded up to the boundaries of all the intersected bioregions [Interim Biogeographic Regionalisation for Australia (IBRA)] in order to reduce any debate due to uncertainty in the modelled boundaries. The number of beneficiaries is then calculated as the actual human population in each of those affected bioregions. The cost shares are again apportioned according to each jurisdiction's share of the total number of beneficiaries.

Discussion

Some members of the Steering Group expressed a preference for Option A because it removes uncertainty about what might be captured in an IBRA bioregion and 'smearing' the population reduces the problems of capturing a large city in the potential range. The BRS modelling of case studies demonstrated that Option B can give inequitable results for pests which intersect only slightly with bioregions containing large human populations or covering large areas.

2. Marine incursions

Option A – Coastline length and shares according to beneficiaries

This option involves a jurisdiction's risk exposure being quantified by the length of its coastline within the modelled potential pest distribution. The proportion of a jurisdiction's coastline at risk is then multiplied by its human population to determine beneficiaries. Cost shares are apportioned according to each jurisdiction's share of the total number of beneficiaries.

Option B – Bioregion area with costs apportioned according to share of area and beneficiaries

This option is a little more complex because the costs are apportioned according to each jurisdiction's share of the area potentially infested as well as its share of beneficiaries. A jurisdiction's risk exposure is quantified as the area of affected bioregions (Interim Marine Coastal Regionalisation of Australia (IMCRA)) within that jurisdiction. The number of beneficiaries is determined by multiplying the proportion of a State's marine estate included within affected bioregions by that State's population.

Discussion

Option A is simple and is very similar in approach to that proposed in Terrestrial Option A. Both options are driven by relative risk exposure but cost shares in Option B are more dependent on that exposure than those determined through Option A. This is because Option B is influenced by the absolute area of potential infestation in a jurisdiction while Option A is driven by the proportion of a jurisdiction's coastline length that is potentially infested.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.6

PROMOTION OF PRIMARY INDUSTRIES TO THE EDUCATION SECTOR

1. The promotion of agriculture to schools has been discussed for many years and is seen as an important issue that needs to be addressed by rural industry. The benefits of promoting agriculture to schools include: a balanced appreciation of agriculture's role, responsibilities and values as an industry; a better understanding of food and fibre life cycles, and an interest in agriculture as part of the Australian fabric and even as a career.
2. PIMC 10 (April 2006) considered a paper on this issue and resolved to further encourage State and Australian Government involvement in promoting primary industries in schools, rather than just agriculture – including conveying a balanced appreciation of the role, responsibility and values of primary industries and promoting effective links between schools, industry, training and tertiary education sectors.
3. PIMC 10 also agreed that New South Wales and Queensland would lead the preparation of a paper, in consultation with industry, for Council consideration on a coordinated approach to this issue.
4. PIMC 10 noted the formation of a National Network for the Promotion of Agriculture in Schools, coordinated by the NSW Department of Primary Industries which is working to further develop a coordinated approach, seeking funds on a collective basis for coordination and website development projects and developing links with national organisations who have an interest in the promotion of agriculture to schools.
5. Some concern was raised by Council members that the objectives of the initiative were not clear. Consideration was given as to whether the primary objective was to raise the awareness and profile of agriculture/primary industries in the community by working through the schools or whether the primary purpose was to increase training and careers in agriculture/primary industries.
6. PISC's Industry Development Committee (IDC) considered this issue and proposed that the primary aim of the initiative is to raise the profile and awareness of agriculture/primary industries. It was considered that increased careers in primary industries may be an outcome of this key aim.
7. While the primary objective of the initiative is to raise awareness of agriculture in schools, there are many other activities promoting agriculture/primary industries to

students as a career. These include a proposed Primary Industries Centre for Science Education for students focused on tertiary education and Rural Skills Australia and Primary Skills Victoria in the Vocational Education and Training sector.

8. Since PIMC 10, interest in this issue has continued to grow both in government and industry. In June 2006, the National Farmers' Federation (NFF) hosted a meeting of stakeholders regarding agricultural awareness in schools. The industry and educational stakeholders, including members of the National Network for the Promotion of Agriculture in Schools, recognised that across the country a number of projects were underway. The meeting agreed on the need for a national approach, but one that accommodates the state-based education framework at both the primary and secondary levels and takes an initial approach of raising awareness, leading to an understanding of key agricultural issues and potentially careers in agriculture.
9. Central messages from the meeting were that teachers are seeking information but do not know where to source it and that industries generally have the information but do not know how to deliver it effectively. It was agreed that to gain entry to the classroom, agricultural interests need to be couched in "issues of the day", for example around sustainability – leading to environmental, animal welfare, nutritional issues and their relevance to existing areas of study.
10. Various states and organisations have undertaken state based projects, many of which have been successful and are potential models for future development.
11. A good example of best practice is the Victorian Department of Primary Industries' LandLearn program which undertakes extensive professional development of teachers to ensure their confidence in teaching agriculture and related subjects and provides curriculum resources and student activities to enhance engagement with teachers. LandLearn employs a number of professionals who work in association with schools across the state and is supported by a good website under the brand name of LandLearn.
12. The NSW Department of Primary Industries is currently negotiating with the Victorian Department of Primary Industries for access to the Landlearn resources and brand name. If successful, LandLearn could be adopted by other states as a brand name and education resource promoting agriculture and land management to school students.
13. The National Forest Education and Awareness Network (NFEAN) provides another example of an organisational approach. The network is developing a portal for teachers to access information about forest education, highlighting the sustainable management of Australia's multiple use forests by state education services. The portal is scheduled to be launched in December 2006.
14. NSW and QLD developed a draft National Primary Industries Schools Education Framework as a working document for discussion by PIMC members.
15. In discussion, members emphasised the importance of imbedding an appreciation of primary industries into education curriculums. It was agreed that in addition to the draft national education framework, NSW and Queensland would also prepare a further discussion paper on a framework for education and training for the primary

industries sector within 12 months that will take into account these issues relating to industry, vocational training and tertiary institutions.

RESOLUTIONS

16. Council:

- (a) **NOTED** progress on a national approach to the promotion of primary industries/ agriculture to the education sector;
- (b) **AGREED** that the primary objective of the PIMC initiative is to raise the profile and awareness of primary industries through schools;
- (c) **NOTED** the draft National Primary Industries Schools Education Framework (Annex A) as a working document;
- (d) **AGREED** that the National Network for the Promotion of Agriculture to the Education Sector will report back to Council in 2007 on the progress of the national network; and
- (e) **AGREED** that NSW and Queensland would prepare a discussion paper on a framework for education and training for the Primary Industries sector for PIMC consideration within 12 months.

ANNEX A: Draft National Primary Industries Schools Education Framework

National Primary Industries Schools Education Framework

Background

Australia is the most urbanised country in the world. Many people are disconnected from the land and have little knowledge or interest in how primary industries work and where the basic necessities for life are generated.

Education is a vital way to increase knowledge and awareness of primary industries and to improve attitudes towards primary producers. Ultimately, education can increase skills and offer career development in the primary industry sector.

There are a vast number of good education services, resources and programs available from both industry and government sectors across Australia. Coordination and increased accessibility by schools to the programs is needed to get the maximum impact from these initiatives.

Recognising the importance of the coordination of education initiatives across all sectors of primary industries, the Primary Industries Ministerial Council (PIMC), at its 10 April 2006 meeting noted under resolution 3D: *ENCOURAGED, State and Australian Governments involvement in promoting primary industries in schools, rather than just agriculture – including conveying a balanced appreciation of the role, responsibility and values of primary industries and promoting effective links between schools, industry, training and tertiary education sectors: and AGREED that NSW and QLD will lead the preparation of a paper, in consultation with industry, for the Council's consideration on a coordinated approach to this issue.*

In response to the PIMC directive, representatives from New South Wales and Queensland have drafted this framework for discussion and comment. The framework identifies a national vision and goals along with key messages and recommended tactics. With strong state and industry support, the development of a positive, focused approach to primary industries schools education initiatives across Australia will result.

Scope

Education can occur through formal or non-formal processes. This plan focuses on formal education occurring through school curriculums.

The plan looks at coordination of primary and secondary schools education initiatives relating to agriculture, fishing, forestry and mineral resources across the country.

Vision

Students and teachers will have an informed understanding of the role and importance of sustainable primary industries to Australian communities.

Goals:

The broad goals of the national framework for primary industry schools education are:

1. State based, coordinated schools education programs, products and services are established and integrated on a national level where possible.
2. Productive state and national partnerships across departments and/or organisations are established to ensure plans and initiatives complement one another, are useful and make the best use of resources.
3. Teachers and students have access to, and make use of quality, entertaining and balanced (factual) information about contemporary Australian primary industries.
4. Enhanced training, professional development and other support services are provided for educators.

Target audiences:

The framework will ultimately benefit the general community, but is specifically focused on students and educators.

Key messages:

A range of complimentary key messages can be communicated throughout the education initiatives. These include:

- Natural resources and primary industries provide many social, environmental, cultural and economic benefits to the people of Australia.
- There are rewarding and professional careers in primary industries.
- Primary industries influence the wealth, health and lifestyle of people across Australia.
- Primary industries build communities.
- Sustainably managed natural resources and primary industry products can be sourced in Australia.
- Cutting edge-science and research yields innovative primary industry practices.
- The way natural resources and primary industries are managed is continually improving.
- Industries involved in the growing, producing, extracting or harvesting of natural resources are primary industries.

Approaches:

To maximise effectiveness and reduce duplication, the national framework will leverage off existing best practice programs being driven by industry or state agencies.

The various initiatives will work within state-based schools curriculums.

Productive partnerships will be established as a key strategy.

There will be particular focus on professional development for teachers and teachers-in-training.

Synergy and coordination among the various primary industries education programs will be sought where possible. Industry specific information and programs will continue to be supported and developed to address student and teacher requirements.

Recognising and utilising the current focus on environmental education in schools, the national and state environmental education plans will form the guiding framework for state-based schools primary industries education programs.

In general, primary education programs will aim to develop awareness of primary industries and secondary level programs will be used to increase understanding of key issues and focus on opportunities for career development.

Actions:

Some possible actions include:

1. Establish state and national web portals for schools education programs, products and services. The portal will be a one-stop shop for teachers and students wanting information on primary industry education programs, products or services. The site will direct visitors to state or industry based information.

Approximate cost: \$50,000 for basic development. \$10,000/year maintenance.

Approximate timeframe: 3 months coordination and development.

2. Implement programs aimed at professional development and support for teachers. For example, a program of field trips to primary producers (forests, commercial fishers, aquaculture farms, dairy farms, mines, and many other opportunities) in key areas could be established for teachers to obtain a hands-on appreciation of primary production.

Approximate cost of field trip program: One person for coordination in each area / state (approx \$60,000/year per area).

Approximate timeframe: 6 months to develop and promote.

3. Use face-to-face interaction between industry professionals, students and teachers in program delivery. For example, the Society of Automotive Engineers in Canada ran a national program where 6,000 of its members voluntarily visited primary schools as one component of a science education program. The face-to-face discussion with engineers was identified as a highlight by the children.

Approximate cost: Variable cost for development of education resource. Staff or volunteer resources.

Approximate timeframe: 12 months for development, set up and coordination.

4. Establish partnerships between state based education departments and state government agencies responsible for primary industries. This is a vital component of any schools education program.

Approximate cost: Variable, mainly staff time.

Approximate timeframe: Ongoing.

5. Devise new schools education programs, products and services in line with state education system requirements, focusing on sustainable primary industries. Target initiatives at those students and teachers who would otherwise not consider primary industries issues in depth.

Approximate cost: \$30,000 per state for qualified consultant (or 6 months of existing staff time) to assess current offerings, develop new products to fit gaps and promote to target audiences.

Cost of new programs variable. For example, mini classroom exhibition boxes for loan to schools, containing engaging hands on primary industry materials (wool samples, cotton seeds, minerals, different woods, etc) and accompanying activity sheets themed around specific industries – cost approximately \$10,000 for development and production of 10 boxes. Ongoing maintenance and shipping costs.

Approximate timeframe: 6 months for assessment and development.

6. Work with existing national primary industries schools education networks such as the Promotion of Agriculture to Schools Network and the Forestry Education and Awareness Network.

Approximate cost: minimal, networking and using existing capacity. New product development cost is variable.

Approximate timeframe: ongoing.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.7

WINE INDUSTRY ISSUES

1. ABARE recently completed an assessment of global and domestic wine and wine grape supply and demand trends (Annex A). ABARE's assessment found that the Australian wine industry is operating in an extremely competitive international market characterised by static consumption, increasing production and declining prices.
 - Demand is increasing in the United States and United Kingdom but declining in France and Italy, forcing French and Italian producers to look for new markets.
 - Production is growing for new world producers but is largely static in Europe. However, in Europe there is a changing varietal mix, to increase the amount of premium varieties, which are the core of new world production.
2. Production has grown faster than sales, in Australia and internationally, generating an increase in stocks, especially in Australia and France. Planting rates in Australia have now tapered off. With no significant increase in supply expected the forecast sales growth should see Australian stocks reduce to acceptable levels in around four years.
 - Stocks could return to acceptable levels in two years if yields are ten per cent below the long term average for the 2007 and 2008 vintages.
3. Water levels in major irrigation water storage dams and river systems on the east coast of Australia are at critically low levels, resulting in reduced irrigation water allocations. The 2007 vintage is likely to be reduced by drought, spring frosts and actions of growers. At this stage it is too early to quantify just how significant the reduction will be.
4. While the world's fourth largest exporter, Australia produces only four per cent of the world's wine. As a small wine producer that is strongly dependent on exports (60 percent of Australian production is exported), the prospects for the Australian industry will largely be driven by developments in the international market. Conversely, changes within Australia will have little impact on global supply and demand.
5. Competitive world markets coupled with high stock levels have put downward pressure on prices for wine and wine grapes. Growers are responding to the falling prices by looking to reduce inputs and in some cases yields or by exiting the

industry. Winemakers are responding by writing down excess stock, selling stock at reduced prices and by reducing grape intake and wine production.

6. The wine industry is working on a Future Directions strategy for release in mid-2007. The strategy will provide analysis of demand in various key markets and should assist growers and winemakers to better assess their cost structures and target their activities.
7. Growers and winemakers are also making good progress on a voluntary code of conduct. The code will promote fair-trading practices and address growers concerns about market power in the industry. It is understood that this code will be in place for the next vintage.

Responses by Government

8. The Australian Government is providing assistance to wine grape growers through its drought assistance measures. A package of additional drought assistance measures has been announced, on top of more than \$1.2 billion already paid by the Australian Government in assistance to farmers during this drought.
9. All wine grape growers in an Exceptional Circumstances (EC) declared area are now eligible to apply for income support and interest rate subsidies until at least 31 March 2008. The package also provides additional funding for counselling services, emergency drought relief grants, and grants for professional advice and planning.
 - EC declarations now cover most major wine grape growing regions other than regions in SA and WA and the Hunter region in NSW.
 - Extensive areas of vineyards were also hit by severe frosts. Frost affected growers in EC declared areas can apply for EC support.
10. The National Agricultural Monitoring System (NAMS) was developed to facilitate EC declarations. In April 2005 Primary Industries Ministerial Council (PIMC 10) agreed to assess the feasibility of expanding NAMS to incorporate irrigated and intensive industries. The NAMS Steering Committee is developing a project that identifies and develops data needs for irrigated industries and assesses the feasibility and cost effectiveness of extending NAMS to incorporate these industries. The project should report by July 2007.
11. The Australian Government facilitated a Wine Industry Summit on 9 June 2006 where industry considered appropriate, industry-driven responses to the current market conditions. The summit recognised that the industry is in for a difficult few years and that there is no quick fix solution.
12. The Wine Industry Summit recognised the importance of strengthening market signals to growers and winemakers. Following on from the Summit the Australian Government asked the Australian Wine and Brandy Corporation (AWBC) to develop a new initiative to improve information throughout the supply chain. This initiative would draw together and build upon the current work undertaken by the AWBC in collecting and communicating data.

13. The Australian Government is funding a *Taking Stock and Setting Directions* project for the wine grape sector. The likely outcomes will centre on investment on the part of growers in leadership and effective representation, benchmarking and improving business skills, improving communication along the supply chain and responding to the oversupply.
14. The Australian Government is separately funding a series of studies to support industry and community approaches to improve the operation of irrigated horticulture industries and their associated communities along the River Murray.
 - Victoria is conducting a strategic review of land-use planning in north western Victoria to assess the most effective use of land and infrastructure as it links to the economic viability of horticulture and wine grape producers.
15. While export market development is essentially an industry activity, the Australian Government provides support through trade negotiations; export market development grants (over \$10 million in 2005-06); and the operation of Australian Wine and Brandy Corporation (AWBC).
16. On 20 September 2006, members of the World Wine Trade Group (Australia, Argentina, Canada, Chile, New Zealand and the United States) initialled an agreement to help harmonise labelling requirements. The agreement will enable producers to use a common label in all major markets, generating estimated savings of \$25 million per annum.
 - Before Australia can ratify the agreement, states and territories need to amend trade measurement regulations to provide flexibility for placement of the volume statement.
17. Legislation containing the collective bargaining notification process under Trade Practices Act (arising from the Dawson Review) has now been passed and on commencement will make collective bargaining quicker and cheaper for growers dealing with big businesses.
18. Innovation is a critical part of improving the position of the industry and enabling it to respond to the competitive pressures it operates under. Last year the Grape and Wine Research and Development Corporation provided \$22 million for innovation in the sector, including \$12 million in matching contributions from the Australian Government.
19. The Grape and Wine Group at Primary Industry and Resources South Australia (PIRSA) is currently engaged in a number of initiatives. The SA Wine Industry Council will consider a report on the over-supply situation in South Australia's cool climate regions prepared by the group. The group is also leading a study in the Riverland concerning the ability of the region to respond to the downturn in wine grape prices.
20. The Victorian Department of Primary Industries is broadly addressing a range of assistance measures for the horticulture and wine industries. Most of these involve co-investment with industry in longer term economic sustainability initiatives.

21. The Victorian Government has provided funding to support the development of the 'Wines of Victoria' branding strategy and the Victorian Wine Industry Association's Vintage 2010 promotional programs. Additional funding has been provided for the delivery of education programs in wine business and marketing skills.
22. It was considered that the key issues for the wine and wine grape industry were to manage the impact of the current drought and, in the medium term, to reduce stocks to acceptable levels and maintain and improve competitiveness.
23. Council noted that there are differing views regarding the extent of oversupply in the industry and forecasts for a likely recovery. The impact of the drought and spring frosts may not be clear for some time yet and if current dry conditions continue and further water allocation reductions occur, irrigated vineyards will experience significant reductions in yield and quality. Given continued world oversupply and high stock levels in Australia, growers may not see any significant improvement in prices from a significant reduction in the 2007 vintage.
24. The Australian wine industry appears to be adjusting rationally to the current market conditions. It was considered that allowing this adjustment to work through would provide the most efficient and effective response to the stock overhang and to low prices.
25. Many measures are in place, providing appropriate support to the grape and wine sector:
 - FarmBis provides an excellent basis for cooperation on activities to meet the training and skills development needs of growers;
 - the Australian Government will continue to match industry levies in accordance with its very successful Research and Development Corporation model;
 - the Australian Government provides support through the EC arrangements for eligible farmers in a region or industry who have been impacted by a rare event, such as extreme drought, that has had a severe and prolonged impact on income; and
 - general adjustment assistance is available through the Advancing Australia Agriculture package.
26. Council considered that governments need to be careful to avoid creating impediments to the market returning to equilibrium but should remain closely involved and maintain a high level of cooperation to ensure that their policies and programme resources assist the industry in responding to the current difficult conditions.

RESOLUTIONS

27. Council:
 - (a) **NOTED** the work of Federal and State Governments in relation to the wine industry; and

- (b) **AGREED** to maintain a high level of cooperation to ensure policies and programme resources of governments assist the industry in responding to current conditions.

ANNEX A: Australian wine industry – challenges for the future (Executive Summary)
(Annex is held in the PIMC Secretariat)

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.8

INDIGENOUS RECONCILIATION ACTION PLAN

1. In 2005, the Ministerial Councils for NRM and PI asked the Working Group for Indigenous Reconciliation to identify significant issues that may be impeding the advancement of Indigenous reconciliation, for inclusion in a Key Issues Paper. The reliability and quality of water in Indigenous communities (for drinking and use in business ventures); and limited long-term employment opportunities in NRM and PI, were subsequently identified as:
 - the most significant issues adversely affecting achievements in the eight program Themes in the Biennial Report; and
 - issues where Ministerial Councils may achieve significant improvements through policy decisions.

Key Issues Paper

Water

2. The 2001 Community Housing and Infrastructure Needs Survey (CHINS) found that only 8% of smaller communities (ie those with less than 50 people) and 34% of larger communities (ie those with more than 50 people) were connected to a town water supply. Thirty-five percent of larger Indigenous communities experienced water restrictions within the previous year. A large proportion of water restrictions (61%) were due to equipment failure.
3. Monitoring water quality for micro-organisms, chemicals and other potential health threats is essential to ensure water is safe to drink. However, in the 12 months prior to the 2001 survey, water quality was either not tested, or had failed testing in 46% of larger Indigenous communities. Just over half of the larger communities that were not connected to a town water supply treated their drinking water, usually by chlorination.
4. Council recognised that a key issue for water management in NRM and PI development is improving the reliability and long-term sustainability of supplies for business ventures, such as irrigated agriculture or aquaculture. For example, a reliable water supply may promote the economic independence of Indigenous communities.

5. NRM and PI programs may produce health-related benefits due to improved management of potable water. For example, water-related business ventures or land conservation programs may improve skills in maintaining water supply infrastructure and water resources. Provision and maintenance of water supplies for business ventures and drinking water is often directly connected. The skills required to manage water supplies for both of these purposes are similar and are best treated together.
6. Suggestions for improving water delivery in Indigenous communities included: improving reporting in the national agenda; improving support for communities that self manage their water supply infrastructure (eg capacity building and technical support for maintenance and monitoring); assisting Indigenous communities to sustainably manage water resources; investigating the viability of business opportunities that require reliable water supplies; investigating the extent of problems being experienced and recommending potential solutions (eg based on best practice case studies).

Employment

7. Council noted that the creation of more sustainable, long-term economic ventures and employment opportunities is a key issue for the advancement of Indigenous reconciliation. However, the national NRM and PI programs can provide only short-term contracts, consistent with the short term funding for programs.
8. The Community Development Employment Program (CDEP) is a significant feature of labour force participation and employment for Indigenous people, particularly in remote areas. CDEP employment accounts for over 30% of Indigenous employment nation-wide. Of Indigenous CDEP participants identified in the 2001 Census, the majority (69%) were in very remote areas and a further 10% were in remote areas (ABS, 2004).
9. Suggestions for improving long-term employment in NRM and PI included re-engineering NRM and PI programs to move away from their short-term nature and provide security for long-term planning and engagement; enhancing partnerships with the Australian and State Government agencies for Indigenous Affairs and the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA); and requesting an allocation of funding to establish long-term NRM and PI employment initiatives (eg the Future NRM Directions Initiative).
10. Many NRM and PI programs that engage Indigenous people use CDEP funds as matching resources. For most Indigenous organisations, changes to CDEP came into effect on 1 July 2006; in some regional and remote areas, they will come into effect by 30 June 2007. The changes include a time limit of 52 weeks for CDEP participation in urban and regional areas, which may impact on NRM and PI programs. However, this change does not apply in remote areas, where the majority of CDEP participants reside. Other changes to CDEP may not directly impact on NRM and PI programs.

11. There are already many programs that have demonstrated a potential to create long-term employment opportunities (eg refer to the 2004-05 and 2005-06 Biennial Report). Many of these programs have a commitment to developing traineeships and providing ongoing training and mentors for trainees. Examples include the PuchiWu Fishing Company Limited (Qld), South Coast New South Wales (NSW) Aboriginal Aquaculture Corporation and Aboriginal Water Trust (NSW), Indigenous Mud Crab Farming Ventures (NT); Mentored Aboriginal Training and Employment Scheme (MATES) (WA), Kuka Kanyini project at Watarru (SA), Koori Business Network (Vic) and the Integrated Strategic Management of *Mimosa pigra* on Aboriginal Lands (Australian Government (AG) and NT).

2004-05 and 2005-06 Biennial Report

12. In 2005, PIMC agreed that the 2004-05 and 2005-06 Biennial Report should address key projects that are achieving successes, rather than report on all activities being undertaken. This change was considered necessary as previous annual reports addressed numerous activities (eg approximately 350 in 2004) and therefore could undertake only limited analysis of achievements, learning, critical success factors, gaps and obstructions.
13. Reporting has been re-focused into nine Themes, using key examples that best demonstrate these issues. The program Themes include: Indigenous Participation in Management of Land for Conservation Outcomes; Fisheries, Forestry and Aquaculture; Access to Land and Water; Pastoral Land Management; Marine Seascape Management; Weeds, Pests and Diseases; Community Gardens; Use of Native Food Plants, Flowers and Seeds; and Potable Water. The first eight Themes were addressed in the Biennial Report. The ninth Theme, Potable Water, was addressed in the Key Issues Paper for 2005-06.
14. This report covers the years 2004-05 to 2005-06 due to the changes in the reporting framework. Future reports are expected to be prepared annually.

2004-05 and 2005-06 Biennial Report

15. The decision to change the Annual Report framework to enable a more detailed analysis of key projects and Themes, rather than report on all activities being undertaken, has produced considerable benefits. In particular, this Biennial Report is better able to summarise achievements, learning, critical success factors, gaps and obstructions, compared to previous Annual Reports.
16. There are significant opportunities for Indigenous enterprise development and employment in land conservation management, as reflected in the range of programs in this Theme. Indigenous communities are becoming increasingly engaged in conservation management of their own lands, often in partnership with government and industry. Additionally, innovative Indigenous organisations are providing environmental services under contract to conservation agencies and private industry. Programs in the Land Conservation and Access to Land and Water Themes have also achieved success at engaging

young people and families in projects aimed at maintaining traditional cultural values.

17. Examples of successful programs in the Land Conservation and Access to Land and Water Themes include: the Sustainable Management of Coastal Aboriginal Lands Project (Tas); Joint Management of Parks and Reserves (NT); Kuka Kanyini project at Watarru (SA); Lake Condah Sustainable Development Project (Vic); Rindoparr Coordinated Conservation Area (Qld); Cooperative Management of Namadji National Park (ACT); Cultural Landscape Planning Project (NSW); and Indigenous Protected Areas Program (Australian Government).
18. Programs in the Fisheries, Forestry and Aquaculture Theme have the potential to provide sustained economic ventures for indigenous people. Similarly, with an increase in cattle demand in the domestic and export markets, the Pastoral Land Theme reflects an opportunity to capitalise on pastoral land to ensure it is used sustainably to produce economically viable Indigenous operations.
19. Potential gaps or obstructions to future success were identified, including: inadequate corporate governance; the sustainability of workloads and funding (eg ensuring funding was ongoing and sufficient to achieve program goals); difficulty recognising different needs within communities; legislative barriers that prevent Indigenous communities from exercising land management responsibilities; and limited NRM, PI and policy development expertise within communities (due to limited capacity building prior to the development of programs). While an adaptive management approach based on continual improvement can go some way to resolving some of these issues, further consideration may be required. Some issues, such as legislative barriers, will require long-term commitment by Government or program participants to enable change.

RESOLUTIONS

20. Council:
 - (a) **AGREED** the Key Issues Paper (Annex A) provides the framework for discussion, as requested by Council.
 - (b) **AGREED** that Governments seek to significantly improve water management and the reliability of supply in Indigenous communities in accordance with their own priorities;
 - (c) **AGREED** that Governments take steps to improve reporting on water management in Indigenous communities in the national agenda by reporting back to the Working Group for Indigenous Reconciliation in Natural Resource Management (NRM) and Primary Industries (PI);
 - (d) **AGREED** that Governments continue to take steps through NRM and Primary Industry programmes, including skills and training initiatives, to

significantly improve long-term employment opportunities for Indigenous communities and to enhance natural resource management outcomes;

- (e) **NOTED** that long-term employment has been identified as a priority issue for development of the Future NRM Directions Initiative;
- (f) **AGREED** that the Future NRM Directions Initiative should consider the linkages between long-term employment and NRM and PI;
- (g) **ENDORSED** the 2004-05 and 2005-06 Biennial Report of the Working Group for Indigenous Reconciliation at Annex B for public release; and
- (h) **NOTED** that the Natural Resource Management Ministerial Council will also consider this paper at its meeting on 24 November 2006.

ANNEX A: Key Issues Paper 2005-06

ANNEX B: Indigenous Reconciliation in Primary Industry and Natural Resource Management: Biennial Report 2004-05 and 2005-06.
(Annex is held in the PIMC Secretariat)

Key Issues Paper – 2005-06

Prepared by
 the Working Group for Indigenous Reconciliation in Primary
 Industries and Natural Resource Management
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1. Introduction

In 2005, the Ministerial Councils for Natural Resource Management (NRM) and Primary Industries (PI) asked the Working Group for Indigenous Reconciliation in NRM and PI to identify significant issues that may be impeding the advancement of Indigenous reconciliation. The range of identified issues included: water for drinking and business ventures; certainty of funding; access to other Government programs (eg funding processes and reducing administrative processes, where appropriate); a need to strengthen linkages with existing programs, such as the National Water Initiative; certainty of tenure; adequate resources for land planning and management; changes to the Community Development Employment Project (CDEP); and long-term, sustainable employment (eg creating employment opportunities that are part of an economy, and valuing traditional skills and knowledge).

The Working Group selected the reliability and quality of water in Indigenous communities; and improving limited long-term employment opportunities in NRM and PI, as the most significant issues adversely affecting achievements in the eight program themes in the Biennial Report. These themes include: Indigenous Participation in Management of Land for Conservation Outcomes; Fisheries, Forestry and Aquaculture; Access to Land and Water; Pastoral Land Management; Marine Seascape Management; Weeds, Pests and Diseases; Community Gardens; and Use of Native Food Plants, Flowers and Seeds.

Water is a critical issue for NRM and PI in Indigenous communities, as many communities lack have an unreliable water source or lack potable water. A reliable water supply is required for sustaining business ventures (eg irrigated aquaculture and aquaculture) in remote and regional areas and may promote the economic independence of Indigenous communities.

The creation of long-term employment opportunities is a key issue for the advancement of reconciliation. However, due to short-term funding for programs, the national NRM and PI programs can provide only short-term employment contracts.

It was agreed that a Key Issues Paper should identify discussion points for the Ministerial Councils to improve implementation of the three Council of Australian Government (CoAG) priorities. These priorities include: investing in community initiatives; reviewing and re-engineering programs to ensure they deliver practical measures that support families and young people; and forging greater links between the business sector and Indigenous communities to help promote economic independence.

2. Water for Indigenous Communities

2.1 Key issues

The key issues for water management in NRM and PI include the long-term sustainability of supplies for business ventures, such as irrigated agriculture or aquaculture; and, to a lesser extent, health-related drinking water quality.

When water is required for NRM and PI programs it is important to ensure the long-term sustainability of the source. For example, hydrological or hydrogeological assessments or training in improved water conservation practices may be required. In regional and remote areas, Government agencies may have limited knowledge about the quality and availability of water resources, which may result in greater uncertainty and significant costs to develop new water-related business ventures.

Many Indigenous communities experience water restrictions due to equipment failure. It may therefore be appropriate to determine whether improved technical support and skill development on maintenance of water supply infrastructure may be a straight-forward solution in some areas. In addition, health-related water quality issues may exist in many regional and remote Indigenous communities that are not connected to a town water supply (ie communities that self-manage their drinking water sources). This may include regional and remote communities in Western Australia (WA), the Northern Territory (NT), South Australia (SA), Queensland (Qld) and New South Wales (NSW)⁴.

Issues for the management of water may include:

- uncertainty about the roles and responsibilities of various agencies or unsystematic management approaches in some jurisdictions.
- limited capacity building and skills for water supply infrastructure maintenance and water monitoring.
- gaps in policies on water resource management for Indigenous communities (eg the policies on managing Indigenous community water supplies are not as developed as those for rural towns).
- limited support, by some jurisdictions, for smaller Indigenous communities (ie those communities with less than 50 people) who self-manage their water sources.
- infrequent monitoring of drinking water and poor water quality at many Indigenous communities; and limited water source protection measures being undertaken in some jurisdictions (eg risk assessments, catchment management, community education and land use planning).

A program of on-ground works, capacity building and policy improvements may be appropriate to ensure the management of Indigenous community water resources does not continue to adversely impact on the achievement of NRM and PI programs.

2.2 Background and current status

The Working Group aimed to determine whether water management was already being reported to another Ministerial Council; and whether the respective NRM & PI programs (eg Natural Heritage Trust, National Action Plan for Salinity and Water Quality and National Water Initiative) can improve water management and the reliability of supply in Indigenous communities. The Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSLIA) and the Health, Community and Disability Services Ministerial Council are not currently addressing this issue.

⁴ In Victoria (Vic), Tasmania (Tas) and the Australian Capital Territory (ACT), all Indigenous communities have access to a reliable supply of potable water, usually via existing town water supplies.

In a preliminary investigation, the Working Group found that water is often poorly managed; is the role of several agencies in a given jurisdiction; and roles and responsibilities are often not clear or are not approached systematically⁵. The 2001 Community Housing and Infrastructure Needs Survey (CHINS) also found that many Aboriginal and Torres Strait Islander peoples do not have reliable supplies of water (ABS, 2003). Only 8 % of smaller communities⁶ (ie those with less than 50 people) and 34% of larger communities⁷ (ie those with more than 50 people) were connected to a town water supply (AIH, 2006).

The 2001 CHINS survey found that water restrictions significantly affected discrete Indigenous communities, as 35% of larger Indigenous communities (ie those with a population of 50 or more) experienced water restrictions within the previous year (AIH, 2006). This is consistent with the water restrictions recorded in the 1999 CHINS survey. A large proportion of water restrictions (61%) were due to equipment failure; dry season shortages and drought accounted for only 18% and 5% of water restrictions, respectively (ABS, 2002). Of the communities affected by water restrictions, 36% reported water restrictions on five or more occasions in the previous 12-month period. These results have implications for business ventures, such as irrigated agriculture and aquaculture projects, that require a constant supply of water.

Monitoring water quality for micro-organisms, chemicals and other potential health threats is essential to ensure water is safe to drink. However, at many communities, health-related water quality management may not meet the recommendations of the *Australian Drinking Water Guidelines* (NHMRC and NRMCC, 2004). For example, in 2001, 20% of larger communities (ie those with a population of 50 or more) that self-manage their water had not monitored water quality in the last 12 months (ABS, 2002). Twenty-six percent of larger communities had failed water quality tests at least once during the previous 12 months. Water quality was either not tested, or had failed testing in the 12 months prior to the survey in 46% of larger Indigenous communities. This is a decrease from 52% of these communities in 1999. Just over half of the larger communities that were not connected to a town water supply treated their drinking water, usually by chlorination (Edwards & Madden, 2001). These statistics indicate that NRM and PI programs may also produce health-related benefits for Indigenous communities. For example, development of a water-related business venture or land conservation program may result in improved skills in maintaining water supply infrastructure and water resources.

Water resource management in Indigenous communities should involve consideration of the following:

⁵ Sources of information included State and federal Government departments, eg appropriate employees, websites and publications. However, information was not comprehensive as several departments did not respond and, in some jurisdictions, conflicting information was provided.

⁶ In the 1999 CHINS, there were 943 smaller Indigenous communities with less than 50 people. The number of people in these communities totalled approximately 15 000, ie 13% of the Indigenous community population (Edwards & Madden, 2001).

⁷ In the 1999 CHINS, there were 348 larger Indigenous communities with more than 50 people. The number of people in these communities totalled approximately 95 000 people, ie 87% of the Indigenous community population (Edwards & Madden, 2001).

- identification of adequate and secure water resources (additional hydrological and hydrogeological assessments may be required in some regional and remote areas).
- sustainable use of water resources (ie improving water use efficiency and using innovation and best practice approaches).
- planning and developing new sources in a timely manner.
- protecting the environmental values of water resources (eg maintain water quality, environmental water requirements and biodiversity in aquatic ecosystems).
- protecting the cultural values of water resources (eg maintain Indigenous cultural heritage, recreation and aesthetic values).
- Promoting and providing for Indigenous community involvement and partnership in management of water resources.

2.3 Challenges

The following challenges may exist in the management of water sources in Indigenous communities:

- Reporting on water is often the role of several agencies in a given jurisdiction and roles and responsibilities are often not clear or are not approached systematically.
- Communities may have limited skills for appropriate management of drinking water sources and water supply infrastructure, particularly in remote or smaller Indigenous communities.
- When failed water supply infrastructure at remote Indigenous communities can not be repaired by members of that community, high costs and long delays may be incurred (eg due to long-distance travel for technical experts and long-distance delivery of replacement equipment). These costs and delays pose a risk to the health of a community, and the viability of business ventures that require a constant water supply.
- In remote and regional areas, Government agencies may have limited knowledge about the sustainability of water resources, which may result in greater uncertainty and significant costs to develop new water supplies (eg detailed hydrological and hydrogeological assessments may be required).

2.4 Links to other programs

Actions addressing water link with existing programs such as the National Water Initiative, National Water Quality Management Strategy, Natural Heritage Trust, National Action Plan for Salinity and Water Quality, and the National Landcare Programme.

The National Water Initiative is a comprehensive strategy driven by the Australian Government to improve water management. The Initiative encompasses a wide range of water management issues and encourages the adoption of best-practice approaches to the management of water in Australia. Implementation is overseen by the Natural Resource Management Ministerial Council, in accordance with detailed implementation plans for each State and Territory. The National Water Initiative and

the associated Australian Government Water Fund are key tools that could produce significant improvements in water management in Indigenous communities.

The Desert Knowledge Cooperative Research Centre (CRC) and the Water Quality and Treatment CRC are working on a collaborative project to identify methods for small remote communities, who self-manage their water supply, to implement the Framework for Management of Drinking Water Quality in the *Australian Drinking Water Guidelines* (NHMRC & NRMCC, 2004). The project uses five remote case study communities with a population less than fifty, in four different States and Territories. The research is designed to use the Framework to deliver the most appropriate management regime, suited to the needs of each community.

2.5 Consideration Points for the Ministerial Councils

Suggestions for improving water delivery in Indigenous communities include:

- improving reporting in the national agenda.
- improving support for communities that self manage their water supply infrastructure (eg capacity building and technical support for maintenance and monitoring).
- assisting Indigenous communities to sustainably manage water resources.
- investigating the viability of business opportunities that require reliable water supplies (this will also help to support long-term employment in Indigenous communities).
- investigating the extent of problems being experienced and recommending potential solutions (eg based on best practice case studies).

In particular, the National Water Initiative and the associated Australian Government Water Fund have the potential to produce significant improvements in water management in Indigenous communities.

The following points could be discussed by the Ministerial Councils:

1. How may the National Water Initiative and the Australian Government Water Fund be used to improve water management and the reliability of supply in Indigenous communities?
2. Can water management in Indigenous communities be a focus for reporting?
3. How should water management in Indigenous communities be progressed in the national agenda?
4. What support is required to assist Indigenous communities who self-manage their water sources (eg capacity building and technical support for water monitoring and maintenance of supply infrastructure)?
5. What support is required to assist Indigenous communities to sustainably manage water resources; and investigate business opportunities that require reliable water supplies?

6. What actions should be taken to investigate the extent of problems being experienced; and recommend potential solutions (eg based on best practice case studies)?

3 Long-term employment in NRM and PI

3.1 Key issues

There is a need to develop more sustainable, long-term economic ventures and employment opportunities in many remote and regional areas, particularly where there are few long-term jobs for Indigenous people at present. However, the national NRM and PI programs can provide only short-term contracts, consistent with the short term funding for programs.

3.2 Background and current status

A relatively low proportion of the Indigenous population are engaged in employment when compared with non-Indigenous people. This is the result of relatively low labour force participation rates and a higher rate of unemployment than that for non-Indigenous people. Some people do not participate in the labour market for a variety of reasons, including attendance at educational institutions, age, illness, caring responsibilities and/or lack of labour market opportunities in their area (ABS, 2004).

The labour force participation rate for those aged 15-64 years is 54% for Indigenous people, compared with 73% for non-Indigenous people (ABS, 2004). These figures include those engaged in mainstream employment, participating in CDEP or unemployed. For the Indigenous population, the labour force participation rate declined with increasing geographic remoteness (eg there is a 57% participation rate in major cities compared with 46% in very remote areas (HREOC, 2006)).

In the 2001 Census, the unemployment rate for Indigenous people was 20%. The rate in 1996 was 23%. This is approximately three times higher than the rate for the non-Indigenous population (HREOC, 2006). The unemployment rate may be defined as the number of people unemployed expressed as a proportion of the total labour force.

The Community Development Employment Program (CDEP) is a significant feature of labour force participation and employment for Indigenous people, particularly in remote areas. CDEP employment accounts for over 30% of Indigenous employment nation-wide. Of Indigenous CDEP participants identified in the 2001 Census, the majority (69%) were in very remote areas and a further 10% were in remote areas (ABS, 2004).

Many NRM and PI programs that engage Indigenous people use CDEP funds as matching resources. For most Indigenous organisations, changes to CDEP came into effect on 1 July 2006; in some regional and remote areas, the changes will come into effect by 30 June 2007. The key changes are:

- new CDEP participants in urban and regional areas will be limited to 12 months participation to ensure CDEP becomes a stepping stone to employment outside the program.

- new participants in CDEP aged 20 or under will be paid a youth rate consistent with the Independent rate of Youth Allowance to improve incentives for young Indigenous people to complete their education. CDEP organisations will continue to receive full funding for each participant and will be required to use the difference between the adult and youth rates to fund training for young participants.
- participants in CDEP in urban and regional centres will be required to register with a Job Network Member.
- selected high performing CDEP organisations will be offered options for extended funding agreements for an additional year and relevant organisations will be notified in early 2007 (DEWR, 2006a).

The time limit of 52 weeks for participation in urban and regional CDEP may impact on NRM and PI programs in these areas. However, this change does not apply in remote areas, where the majority of CDEP participants reside. Other changes to CDEP may not directly impact on NRM and PI programs.

The Australian Government's \$3.6 billion Welfare to Work reforms will help approximately 22 000 people to gain and retain long-term employment in remote areas. Contracts for \$37 million over three years were awarded to twelve organisations for servicing remote regions of the Northern Territory, Northern Queensland, Western Australia and South Australia. The improved employment services will include job readiness training, re-skilling and job matching with an employer. Service providers should tailor services to meet the needs of job seekers, including both Indigenous and non-Indigenous people. The Australian Government is also addressing unemployment through Shared Responsibility Agreements (SRA) between funding agents and Indigenous Communities, and partnership between industry and Indigenous people.

The 2004-05 and 2005-06 Biennial Report identified many programs that demonstrated a potential to create long-term employment opportunities. These include, for example, the PuchiWu Fishing Company Limited (Qld), Aboriginal Water Trust (NSW), Indigenous Mud Crab Farming Ventures (NT); Mentored Aboriginal Training and Employment Scheme (MATES) (WA), Kuka Kanyini project at Watarru (SA), Koori Business Network (Vic) and the Integrated Strategic Management of *Mimosa pigra* on Aboriginal Lands (Australian Government (AG) and NT). Capacity building for the Mimosa management project has resulted in direct employment of Indigenous people in various other land management programs and development of other natural resource based enterprises. The Indigenous Mud Crab Farming Ventures program (NT), South Coast New South Wales (NSW) Aboriginal Aquaculture Corporation (SCNAAC) and PuchiWu Fishing Company Limited (Qld) have achieved some marketing success and may be used as demonstration projects to improve the success of future ventures.

Many of these programs have a commitment to developing traineeships, providing ongoing training and mentors for trainees; and have the additional benefit of strengthening the cultural values and cohesion of Indigenous communities (eg by supporting the transfer of knowledge of traditional land management skills and language, and enabling older participants to be mentors and role models for younger participants).

3.3 Links to other programs

There is considerable potential to link long-term employment proposals to the Future NRM Directions Initiative, Welfare to Work and evaluation of the CDEP.

The Corish Report, *Creating our Future - Agriculture and Food Policy for the Next Generation* (AFPRG, 2006) has recommended establishing a system for payments to regional farming communities for the delivery of biodiversity and land conservation programs.

3.4 Consideration Points for the Ministerial Councils

The following suggestions may improve long-term Indigenous employment:

- Re-engineer NRM and PI programs to move away from their short-term nature and provide security for long-term planning and engagement.
- Enhance partnerships with the Australian and State Government agencies for Indigenous Affairs and the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA), to determine how to create more long-term, sustainable employment in NRM and PI.
- Request an allocation of funding to establish long-term NRM and PI employment initiatives. This program may purchase environmental management services from Indigenous communities and would reinforce the link between culture, caring for Country and NRM and PI development.
- The Natural Resource Policies and Programs Committee (NRPPC) could develop this proposal as part of the Future NRM Directions Initiative, which is currently being developed for Council consideration.

The following points could be discussed by the Ministerial Councils:

1. What actions should be taken to enhance partnerships with other organisations, to determine how to create more long-term, sustainable employment in NRM and PI?
2. How should NRM and PI projects be re-engineered to create long-term, sustainable employment?
3. How may the Future NRM Directions Initiative be used to improve long-term employment in NRM and PI (eg by purchasing environmental management services from Indigenous communities)?
4. What actions should be taken to investigate the potential consequences of changes to CDEP for NRM and PI programs in urban and regional areas?

4 Conclusion

This Key Issues Paper has identified significant challenges for Indigenous reconciliation in NRM and PI due to inadequate supplies of water in some Indigenous communities and the need for more long-term, sustainable employment, particularly in regional and remote areas.

Decisions taken by Ministerial Councils to address these two issues have significant potential to improve NRM and PI outcomes for the advancement of Indigenous reconciliation.

5 Abbreviations

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AG	Australian Government
AIH	Australian Indigenous Health <i>InfoNet</i> , an internet resource managed by Edith Cowan University, Western Australia
CDEP	Community Development Employment Project
CHINS	Community Housing and Infrastructure Needs Survey by the Australian Bureau of Statistics
CoAG	Council of Australian Governments
CRC	Cooperative Research Centre
MCATSIA	Ministerial Council for Aboriginal and Torres Strait Islander Affairs
NHMRC	National Health and Medical Research Council
NHT	Natural Heritage Trust
NRM	Natural Resource Management
NRMMC	Natural Resource Management Ministerial Council
NRPPC	Natural Resource Policies and Programs Committee
NSW	New South Wales
NT	Northern Territory
PI	Primary Industries
PIMC	Primary Industries Ministerial Council
Qld	Queensland
SA	South Australia
SRA	Shared Responsibility Agreements
Tas	Tasmania
Vic	Victoria
WA	Western Australia

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Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.9

**POLICY DIRECTION FOR DEVELOPMENT OF LAWS TO PROTECT
ANIMAL INDUSTRIES FROM DISRUPTIVE ACTIVITIES**

1. Following a number of disruptive activities of animal rights activists in relation to intensively run piggery and poultry sheds and live sheep export feedlots, PIMC 10 (April 2006) requested Standing Committee to develop options for a nationally consistent approach to dealing with such illegal activities.
2. DAFF prepared a comprehensive review of existing Australian legislation covering these matters and tabled a Discussion Paper at the meeting of Animal Welfare Ministers on 20 April 2006 that was also provided to the PIMC 10 meeting. The Discussion Paper defined gaps in protection for animal industries and made recommendations for the development of policy on the matter.
3. DAFF developed a national policy framework (Annex A) for the development of harmonised legislation covering matters including harassment, threat, or damage to property or people engaged in livestock production, trade and research.
4. The national policy framework was endorsed by the Australian Government Minister for Agriculture Fisheries and Forestry and the draft provisions were endorsed as appropriate to provide a preliminary legal drafting framework by the Criminal Law Branch of the Australian Government Attorney – General’s Department.
5. Council considered and endorsed the proposed national policy framework with NSW reserving its endorsement at this stage.
6. Council also noted that implementation of laws relating to trespass or to protect biosecurity arrangements, including within the Emergency Animal Disease Response Agreement (EADRA), required further consideration by the States and Territories.
7. Further consideration by State and Territory members was needed to address the issue of trespass, including consideration of legal elements such as intent. Additional aspects of trespass incidents related to compromise of recognised biosecurity status may also need further consideration to develop a national

policy that recognises and protects industry and enterprise biosecurity programs, including those consistent with undertakings by all parties to the EADRA.

8. Under the EADRA all governments and animal industries acknowledge the need to develop biosecurity measures for implementation and maintenance at national, regional and individual premises levels. Council members emphasised the need for consistency in a national approach in the development of these laws and agreed that Standing Committee should consider existing and proposed State and Territory laws in finalising a national policy framework and report to Council in April 2007.

RESOLUTIONS

9. Council:
 - (a) **ENDORSED** the Proposed National Policy Framework for the Development of Laws to Protect Animal Industries from Disruptive Activities (the national policy framework) (Annex A);
 - (b) **NOTED** recommendations for further development of appropriate provisions to strengthen available State and Territory trespass and related laws are included in the national policy framework, but that further consideration is required by States and Territories on issues surrounding the implementation of such provisions; and
 - (c) **AGREED** to the Primary Industries Standing Committee assessing existing and proposed new State and Territory laws against the National Policy Framework and report back to the next meeting of Council.

ANNEX A: National Policy Framework for the Development of Laws to Protect Animal Industries from Disruptive Activities

National Policy Framework for the Development of Laws to Protect Animal Industries from Disruptive Activities

Suggested Approach

Each of these offences is to be drafted where reasonable as a series of 'step up' offences, as illustrated below. The offences at the lower end of the range could be dealt with summarily as a misdemeanour. Offences at the higher end, which contain offences in which significant economic loss, bodily injury and/or property damage occurs, should be treated as a crime. Additional elements of 'reckless disregard' and, finally, 'intent' would call up a range of increasing maximum penalties.

In addition, where the perpetrator is a corporate entity or an employee of a corporation, penalties should be imposed on the corporation itself and should attract a higher maximum penalty up to and including dissolution of the corporation.

The perceived gaps that currently exist in Australia's legislative framework may be addressed by adopting specific provisions that create the following offences.

1. HARASSMENT OR INTERFERENCE IN TRADE, HARASSMENT NOT IN TRADE AND INTIMIDATION

Proposed New Offences

- a) offences for harassment or obstruction intended to deter lawful activities relating to animal production or export;
 - i. an offence of harassment or obstruction intended to deter lawful activities relating to animal production or export;
 - ii. an offence of harassment of a person in their own home intended to deter lawful activities relating to animal production or export;

- b) offences for interfering in the commercial activities of a third party related to trade in animals or animal products; and
 - i. an offence of interfering in the commercial activities of a third party related to an 'animal enterprise'⁸ or a 'microbiological containment facility'⁹;
 - ii. an offence of interfering in the commercial activities of a third party related to an 'animal enterprise' or a 'microbiological containment facility' with reckless disregard for any damage to trade in animals or animal products;

⁸ where an 'animal enterprise' is defined to include use of animals for food or fibre production, agriculture, research or testing

⁹ where 'biosecurity status' is defined 'in accordance with standard international protocols or in terms of freedom from specified diseases or germs, and is protected by specified standard working procedures, signage, animal quarantine measures and construction requirements'

- c) offences for causing disruption to the functioning of an 'animal enterprise'.
 - i. an offence of causing disruption to the functioning of an 'animal enterprise';
 - ii. an offence of causing disruption with reckless disregard to the functioning of an 'animal enterprise';
 - iii. an offence of intentionally causing disruption to the functioning of an 'animal enterprise';

2. THREATS TO FRIENDS, FAMILY AND COMMERCIAL ASSOCIATES

Proposed new Offences

- a) offences for interfering with a commercial relationship connected with an 'animal enterprise';
 - i. an offence of interfering with a commercial relationship connected with an 'animal enterprise';
 - ii. an offence of interfering with a commercial relationship connected with an 'animal enterprise' with reckless disregard to consequent damage or disruption of that relationship;
 - iii. an offence of interfering with a commercial relationship connected with an 'animal enterprise' with intent to damage or disrupt that relationship;
- b) offences for intimidation of persons connected with an animal enterprise or associated with persons connected to an animal enterprise.
 - i. an offence of intimidation of persons connected with an 'animal enterprise' or associated with individuals connected with an 'animal enterprise';
 - ii. an offence of intimidation of persons connected with an 'animal enterprise' or associated with individuals connected with an 'animal enterprise' with intent to affect the relationship with the 'animal enterprise';

3. DELIBERATE TRESPASS ONTO ANIMAL PRODUCTION FACILITIES AND SUBSEQUENT ACTIVITY, INCLUDING BREACHES OF APPROVED PROGRAMS TO ENSURE BIOSECURITY STATUS

Advised need for modification of existing Trespass Offences

Trespass is the principal illegal activity performed by animal activists in Australia. Consideration of the constitutional responsibility of the Commonwealth compared to the states and territories shows that current laws of trespass are solely the province of state and territory governments. However, the crime of trespass in most of these jurisdictions appears not to have been revised in view of the risks and damage to facilities where animal production or research is carried out.

Industry has advised of a need for more stringent penalties to be made available for application where the trespass involves such facilities. This matter is to be reviewed by the working group appointed by Animal Health Committee to investigate these matters and report back to Primary Industries Standing Committee. As a matter of principle the Commonwealth would support moves to strengthen available penal provisions for this act, as has occurred in Queensland and Western Australia.

Proposed new Offences

- a) offences for breaching biosecurity status associated with an 'animal enterprise' or a 'microbiological containment facility', where 'biosecurity status' is defined 'in accordance with standard international protocols or in terms of freedom from specified diseases or germs, and is protected by specified standard working procedures, signage, animal quarantine measures and construction requirements';
 - i. an offence of breaching biosecurity status associated with an 'animal enterprise' or a 'microbiological containment facility';
 - ii. an offence of illegal entry to an 'animal enterprise' or a 'microbiological containment facility' with reckless disregard for breaching a biosecurity status;
 - iii. an offence of intentionally breaching biosecurity status associated with an 'animal enterprise' or a 'microbiological containment facility';

- b) offences for contaminating or unlawfully interfering with animals or contaminating, adulterating or unlawfully interfering with animal dietary components (feed, nutritional supplements or additives, water supply, pasture).
 - i. an offence of contaminating or unlawfully interfering with animals or contaminating, adulterating or unlawfully interfering with 'animal dietary components'¹⁰;
 - ii. an offence of knowingly contaminating or unlawfully interfering with animals or knowingly contaminating, adulterating or unlawfully interfering with 'animal dietary components';
 - iii. an offence of contaminating or unlawfully interfering with animals or contaminating, adulterating or unlawfully interfering with 'animal dietary components' with reckless disregard for damage due to disruption to trade or reasonable concerns that it may have caused such disruption.
 - iv. an offence of contaminating or unlawfully interfering with animals or contaminating or unlawfully interfering with 'animal dietary components' with intent to cause disruption to trade or damage due to reasonable concerns that it may cause such disruption.

¹⁰ Where 'animal dietary components' is defined to include the animals' feed (including available pasture and any supplements or additives being fed intentionally) and water supply.

4. PROMOTION OR SUPPORT OF ACTIVITIES THAT MAY DAMAGE AN 'ANIMAL ENTERPRISE' OR A 'MICROBIOLOGICAL CONTAINMENT FACILITY' UNDERTAKING LAWFUL ACTIVITIES RELATING TO ANIMAL PRODUCTION, ANIMAL RESEARCH, OR EXPORT TRADE

Proposed new Offences

- a) an offence for promoting or supporting activities that may cause damage to facilities, functions or commercial operations of an 'animal enterprise' or a 'microbiological containment facility' undertaking lawful activities relating to animal production, animal research, or export;
 - i. an offence of promoting or supporting activities with reckless disregard to damage to facilities, functions or commercial operations that may be caused to an 'animal enterprise' or a 'microbiological containment facility' undertaking lawful activities relating to animal production, animal research, or export trade;
 - ii. an offence of promoting or supporting activities with intent to cause damage to facilities, functions or commercial operations of an 'animal enterprise' or a 'microbiological containment facility' undertaking lawful activities relating to animal production, animal research, or export trade.

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RESOLUTION	No: 11.10

AUSTRALIAN POSITION STATEMENT ON THE EXPORT OF LIVESTOCK

1. PIMC 5 (May 2004) endorsed the Interim Code and agreed it was a sound basis for developing the Australian Standards for the Export of Livestock.
2. The Standards were developed based on the Interim Australian Code, from existing Model Codes of Practice, LiveCorp's Australian Livestock Export Standards, AMSA marine orders, IATA regulations and other sources.
3. The Interim Australian Code on the Export of Livestock was renamed the Australian Position Statement on the Export of Livestock and has no legislative underpinning at Federal or state/territory government level.
4. The Position Statement was developed to explain the roles and responsibilities in the export chain, the Australian animal health and welfare requirements, the operating environment, the guiding principles and expected outcomes throughout the live export chain and the responsibility of the three spheres of government (Australian, state/territory and local governments).
5. Council endorsed the Statement as it provides background and context for the development of the Standards and is considered to be a useful guideline document to complement the Standards.

RESOLUTION

6. Council **ENDORSED** the Australian Position Statement on the Export of Livestock (Annex A).

ANNEX A: Australian Position Statement on the Export of Livestock
(*Annex is held in the PIMC Secretariat*)

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.11

UN DECLARATION ON THE WELFARE OF ANIMALS

1. PIMC 10 (April 2006) requested that PISC provide advice on the proposed Declaration.
2. World Society for the Protection of Animals (WSPA) is the largest international federation of animal protection organisations with over 600 member societies in more than 140 countries. Its broad approach to animal welfare is that it is appropriate to use animals for food and fibre and other purposes as long as they are treated humanely. This is the approach of the State and Territory governments in Australia as well as the Australian Government.
3. The attached WSPA Q & A Staff Brief (Annex A) outlines what WSPA is seeking to achieve with the Universal Declaration, the history of its campaign to date and the planned next steps in the campaign.
4. DAFF led the Australian delegation to the Manila Conference in March 2003, a WSPA initiative to develop and promote the Universal Declaration, which was attended by 19 government delegations.
5. At the Manila Conference, WSPA sought support from the World Organisation for Animal Health (OIE) for the development and progress of the Declaration. The draft resolution was not put to the OIE General Session in May 2006 as it was recognised that OIE Delegates required time to consult within their countries and also that any issue involving the United Nations is a broader governmental issue and beyond the scope of OIE Delegates.
6. WSPA will progress its Declaration with or without OIE approval.
7. Preliminary advice from DFAT's WTO legal section noted that there may not be much in the draft resolution that would impinge directly on Australia's commitments/obligations under GATT 1994 or the SPS Agreement, keeping in mind the declaration would be non-binding and general. It was considered that signatories to the Animal Welfare declaration may seek to use its symbolic value to support any future claims that trade measures are justified on animal protection grounds. In turn, this would need to be weighed against Australia's significant interests in the live animal export trade and the risk of not supporting such a Declaration internationally.

8. The European Commission is interested in having *measures* posited on animal welfare grounds accepted as legitimate non-tariff barriers to trade. This position was rejected by the majority of World Trade Organisation (WTO) members and is not supported by the WTO itself.
9. Australia has robust mechanisms for setting and enforcing animal welfare standards. The development of the Australian Animal Welfare Strategy (AAWS) over five years in concert with all animal welfare stakeholders and the allocation by the Australian Government of \$6 million over four years to assist in implementing the AAWS, reflects Australia's commitment to animal welfare.
10. Australia has demonstrated a readiness to engage in international fora on animal welfare. There was an Australian expert on each of the four animal welfare ad hoc Working Groups established by OIE and Australia has been proactive in developing MOUs with livestock importing countries in the Middle East.
11. Council agreed that the Australian Government would continue to work to ensure that the final Declaration text cannot be interpreted to restrict trade in live animals and products.

RESOLUTIONS

12. Council:
 - (a) **NOTED** that World Society for the Protection of Animals (WSPA) aims to persuade the United Nations to adopt a Universal Declaration on Animal Welfare, similar to earlier initiatives in the sphere of human rights and the environment;
 - (b) **NOTED** the considerable work in animal welfare management and administration by the Australian Government and jurisdictions; and
 - (c) **AGREED** that the Australian Government continue to work constructively to ensure the eventual Declaration text cannot be misconstrued to, in any way, restrict trade in live animals and animal products.

ANNEX A: Q&A brief by WSPA to WSPA staff on the Universal Declaration on Animal Welfare

FAQs

1. What are we trying to achieve?

The objective of the Universal Declaration on Animal Welfare campaign is to achieve a global statement at the United Nations (UN) that *recognizes animals as sentient beings, capable of experiencing pain and suffering, and animal welfare as an issue of importance as part of the social development of nations worldwide.*

2. What is the message for the campaign?

Animals all over the world are an important part of people's lives. For income, for food, or as companions, people depend on animals every day. Imagine for a moment a world without dogs, cats, horses, chimpanzees or cattle to name a few... animals matter to us all.

Unfortunately many millions of animals face a life of toil, mistreatment, cruelty, pain and suffering as a result of human indifference, neglect and a lack of education. It is now time to protect animals from such treatment by officially recognising their importance and their welfare at a global level.

Global recognition of animals and their welfare would not only provide the basis for their increased protection, but is also closely linked with improving human health, social development and environmental sustainability.

We are calling upon governments at the United Nations to adopt a **Universal Declaration On Animal Welfare** that would recognise the importance of animals and their welfare.

3. What is a Universal Declaration?

Declarations are used to declare certain aspirations at global level. The proposed Universal Declaration On Animal Welfare will not be legally binding. It is important to emphasise this when lobbying governments. Examples of other significant declarations achieved at the UN include the Rio Declaration on Environment and Development, 1992 and the Declaration on the rights of the child, 1959. Both have led to increased recognition of their respective issues by governments.

4. What progress has been made so far in the campaign?

WSPA Biennial Conference, 2000

The campaign was first launched at this conference. A detailed draft WSPA 'Declaration For The Welfare Of Animals' text was proposed and endorsed by approx 300 member societies at this time

Manila Conference On Animal Welfare, March 2003

The WSPA draft text *was replaced by a simpler text* that outlines the basic principles for a Declaration On Animal Welfare. These principles will provide the basis for any future Declaration text and are contained in a document called the Manila text (attached)

The Manila Conference was attended by 19 government delegations (Australia, Bangladesh, Cambodia, China, Czech Republic, Egypt, Germany, India, Indonesia,

Israel, Italy, Netherlands, Philippines, Singapore, Spain, Switzerland, Thailand, and the United Kingdom) including the European Commission, Saipan and the US, as observers.

Steering Committee Meeting, November 2005

A 5 nation governmental steering committee comprising representatives from the following UN member states; Costa Rica, Kenya, India, Czech Republic & Philippines met and agreed to champion the initiative amongst governments in their region to build support for a planned Ministerial conference in 2007

These 5 countries represent 4 out of the 5 regions that make up the Economic & Social Council (ECOSOC) at the United Nations where we hope the initiative will eventually be presented. There was a strategic decision to choose developing countries as members of the steering committee in order to avoid accusations that the initiative would act as a trade barrier for the EU/US

At the steering committee meeting, several amendments to the Manila text were proposed and will go forward to the Ministerial conference for adoption/rejection by governments. The output from the 2007 conference should be a final Declaration text based on the Manila principles (including amendments) as well as support in principal from a critical mass of UN member states.

5. What would it mean to achieve this Declaration?

There are few global mechanisms to make improvements on issues that matter to people in fundamental, ethical and practical ways. Global recognition of animals and their welfare would provide the basis for increased recognition and protection of the needs of all animals, everywhere. The declaration would act as a catalyst for better animal welfare provisions at national level worldwide, particularly in developing nations, as nations would be encouraged to respect the principles of the Declaration in formulating and implementing their policies concerning animals

If such a Declaration was never achieved, global conscience about the way we treat animals and their importance to people everywhere would not be raised and governments would not be compelled to consider animals and their welfare when formulating legislation and/or implementing programmes relating to animals at national level.

The recognition of the sentience of animals at a global level would also provide a benchmark useful to anyone who deals with or relies upon animals in their daily lives. Animal welfare groups in particular sometimes work in difficult situations where there is often little recognition of the concept of animal welfare at national level.

6. Why are we targeting the United Nations?

Key goals to achieve sustainable development have been laid down by the United Nations and would be greatly benefited by the consideration of animal welfare given the fact that billions of people rely on animals for food, livelihoods etc. These goals (millennium development goals) include the reduction of extreme poverty & hunger, improving human health and ensuring environmental sustainability. Each of these goals can be linked to key animal welfare issues such as industrial farming, disaster management etc.

With over 200 UN member states, most animal welfare organizations will be able to use a Universal Declaration On Animal Welfare as a point of reference and/or benchmark to achieve progress with their national government.

Previous Universal Declarations have led to significant improvements in the respective fields of conservation, environment, human and child rights. Human Rights in particular took a huge leap forward using the impetus provided by the adoption of the Universal Declaration For Human Rights in 1948. The fact that countries are answerable for their policies on human rights in an international forum serves as a spur to action to bring national law and practices into line.

7. What is the relationship between the OIE and this initiative?

The World Organisation for Animal Health (OIE) is a global organisation represented by Chief Veterinary Officers from approx 167 countries worldwide. They have embarked upon a programme setting global standards for animal welfare. The Universal Declaration is a complementary initiative that will not affect the work of the OIE. A simple, global statement on animal welfare at the United Nations will only bolster the success of their standard setting agenda.

8. What will be the impact on trade?

This initiative is trade neutral and, crucially, non-binding, so does not affect the sovereign right of any nation to determine its own animal protection policies. Furthermore, UN Declarations are not part of the legal framework of the WTO and, as such, cannot in themselves cause WTO violations. Nor will the application of the principles contained in the UN Declaration be subject to WTO consideration if they are applied to domestically produced goods. For imports and exports, consideration of animal welfare increasingly offers business opportunities rather than obstacles.

9. What are the next steps for this campaign?

May 2006: Secure official OIE support for initiative at Annual General Meeting

8th June 2006: Launch of global petition at the WSPA biennial using the simple statement 'ANIMALS MATTER TO ME' to collect 10 million signatures. This petition will be available online at www.animalsmatter.org and paper petitions will also be available. The petition will be handed into the United Nations and it is hoped that a global voice of millions should heavily influence an institution built on the premise of representing the people. This is symbolized in its strapline; 'We, the peoples'. Distribution of 'petition collecting' resource CD to mobilise MS will take place in May 2006 via regional offices prior to the launch.

2007: Ministerial conference to be held in New York in 2007 where UN member states will have the opportunity to discuss and agree on a final Declaration text. It is hoped that representatives from as many UN member states as possible attend although the agreed Declaration text will be left as an open document for other governments to sign onto before it is tabled at the United Nations. A target list of approx 40 regionally influential governments has been drawn up and this will provide a focus for lobbying efforts. Official representatives must have Ministerial backing so as to be able to sign up to the document on behalf of their government.

2007-8: Present initiative at the Economic & Social Council (ECOSOC) of the United Nations. One or more of the steering committee countries will open debate on the initiative and will seek support on the occasion of the annual meeting of ECOSOC. It is likely that if it is deemed an important initiative, it will be referred to an ECOSOC sub-committee for further consideration.

2008 – ongoing: Intense lobbying of UN member states and UN bodies in order to ensure that the initiative progresses through the UN system. Ultimately, the end objective is for the initiative to be accepted by the UN General Assembly.

10. What are some important points to bear in mind regarding this campaign?

To have any chance of success at the United Nations, this must be seen as a wholly governmental initiative. The initiative must always therefore be referred to as a **government led initiative** now that there is a steering committee of governments driving the campaign forward. WSPA, along with RSPCA, CIWF & HSI, are currently acting as secretariat for the steering committee govts offering technical, logistical and lobbying support to ensure that we achieve key campaign objectives such as the ministerial conference

The initiative is being modelled on the EU's Protocol on animal welfare that arose from the Amsterdam treaty, 1997. It is hoped that the Declaration will provide a similar basis for further advances in animal welfare at a global level

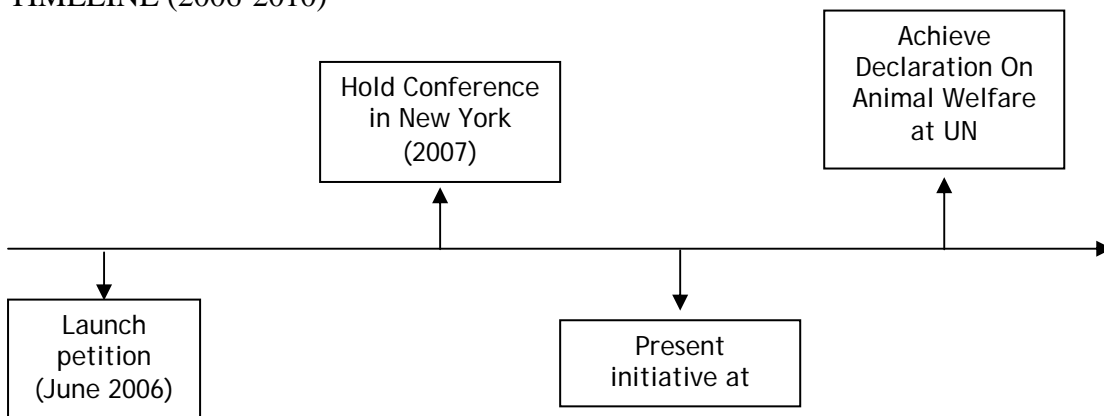
The petition will provide the public face and profile of the campaign. It will not be WSPA branded as it is being modelled on campaigns such as Make Poverty History that was run by a coalition of groups. All groups, including WSPA, are free to use the campaign graphics to collect signatures alongside their own group logos as this will encourage ownership of the campaign by the entire animal welfare movement. All groups must include a tick box on any linked initiatives asking for permission for 'Animals Matter To Me' to send campaign updates.

All text pertaining to the original 'WSPA Declaration For The Welfare Of Animals' should be removed immediately from all WSPA websites and replaced with information relating to the petition (will be ready following petition launch)

11. Why Is It Important To Support The Campaign Now?

The petition is being launched in June 2006 and we need all member societies, regional offices, supporters & allies to collect signatures and promote the petition We are starting to lobby UN member states to attend the planned Ministerial conference dedicated to this initiative and need to build momentum

TIMELINE (2006-2010)



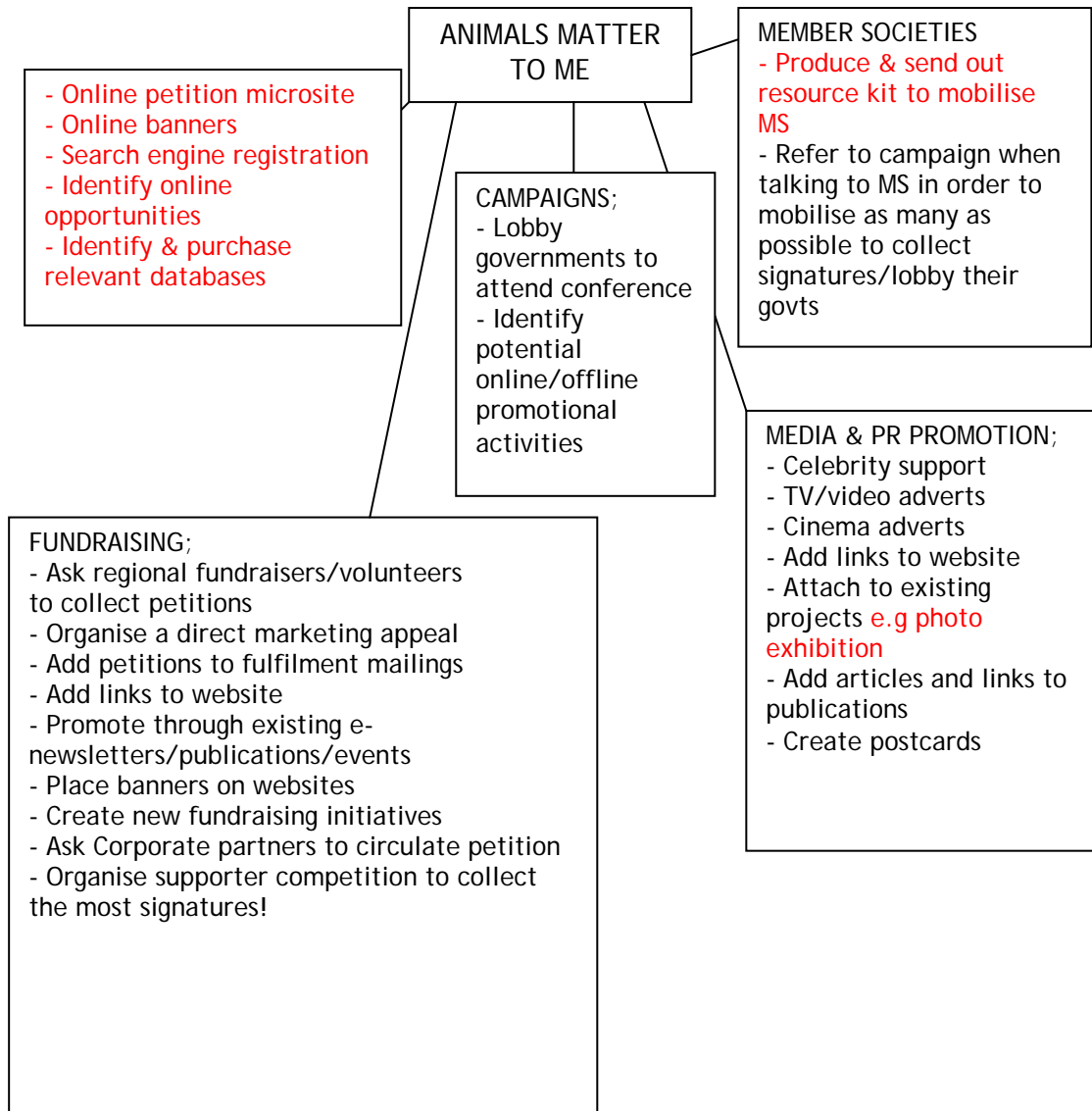
12. Who Should Get involved?

Basically, given the generic nature of the campaign, it is relevant to anyone and everyone with an interest in supporting animals and their welfare thus giving us the opportunity to reach out beyond existing animal welfare supporters;

- Animal Welfare organisations
- Professional Associations with an interest in animal welfare (Veterinary, OIE etc)
- Students/youth
- Conservation/environmental organisations
- General public

13. How Can You Help?

Below are some e.g's of how different WSPA departments can help support this campaign (red highlights already under way). This is not a finite list but just some suggestions to help support planning discussions within your regions;



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	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.12

FOOD REGULATION ISSUES - UPDATE

1. The Australia New Zealand Food Regulation Ministerial Council (ANZFRMC) and Food Standards Australia New Zealand (FSANZ) are progressing a number of food regulation matters that are of relevance to primary production and food industries. These include Ministerial Policy Guidelines on the regulation of residues of agricultural and veterinary chemicals in food, primary production and processing standards and mandatory fortification of foods with folate and iodine. In addition, the Australian Government has committed to implement recommendation 4.49 of the Banks Report which suggests an independent review of the food regulation system.

Potential Impact of Food Regulations on Primary Production and Food Industries

2. In most jurisdictions health portfolios have responsibility for food regulation issues. This is reflected by strong representation from health ministers and agencies in ANZFRMC processes. As a result, decisions on food regulation issues tend to be focussed mainly on public health and safety issues and often inadequate consideration is given to the impact of such decisions on the primary production and food industries.
3. Key food regulation issues which are currently being progressed through ANZFRMC and FSANZ and that have the potential to significantly impact on the primary production and food industry are detailed below.

The Regulation of Residues of Agricultural and Veterinary Chemicals in Food.

4. On 25 October 2006, ANZFRMC approved the Ministerial Policy Guideline for the Regulation of Residues of Agricultural and Veterinary Chemicals in Food.
5. Currently, residues of agricultural and veterinary chemicals in food are prohibited unless specifically permitted in Standard 1.4.2 - Maximum Residue Limits of the Australia New Zealand Food Standards Code.

6. This 'zero tolerance' approach is considered to be more stringent than required to protect public health and places a significant burden on the primary production and food industry. In addition, the approach leads to enforcement agencies being limited in their discretion in managing agricultural and veterinary chemical residues in food that may be of low public health significance.
7. The new Ministerial Policy Guideline endorsed by ANZFRMC was provided to FSANZ to form the parameters within which FSANZ will consider developing alternative approaches to address maximum residue limits in food.

Primary Production and Processing Standards

Poultry Meat

8. Although the Draft Assessment Report for the Poultry Meat Standard was approved by the FSANZ Board in November 2005 there were concerns that the outcomes based standard would be difficult for industry and enforcement agencies to interpret and enforce.
9. To address this issue FSANZ agreed to develop a Code of Practice to assist the poultry industry and enforcement agencies implement the standard. In October 2006 a draft of the Code of Practice was considered by the Code of Practice working group. FSANZ will further progress the Code of Practice for consideration by the Standard Development Committee in early 2007.
10. The standard for poultry meat will proceed to final assessment once the Code of Practice is nearing completion in mid 2007.

Dairy

11. The Primary Production and Processing Standard for Dairy was gazetted into law on the 5 October 2006. Dairy businesses have a compliance lead in time of two years from the date of gazettal.
12. FSANZ is developing an Interpretative Guide to Standard 4.2.4 - Primary Production and Processing Standards for Dairy Products, to assist industry and enforcement agencies implement the standard.
13. FSANZ is continuing to progress work on raw milk and raw milk products (cheese) and is currently undertaking a scientific assessment of the risks to public health and safety which may arise from the consumption of raw goat's milk and selected raw milk cheeses. The draft reports of both assessments are expected to be tabled at a further meeting of Dairy Scientific Advisory Panel in December 2006.

Eggs and Egg Products

14. The first meeting of the Standards Development Committee was held on 27 September 2006. At the meeting, FSANZ indicated that it aimed to release the

Initial Assessment Report for public consultation in December 2006, and sought SDC members' assistance in developing the Initial Assessment Report.

15. An Egg Scientific Advisory Panel is also being established to provide technical assistance and advice to FSANZ during the preparation of a scientific assessment to underpin the development of this standard.

Mandatory Fortification of Foods

Mandatory Fortification with Folic Acid

16. FSANZ released a proposed standard for the mandatory fortification of bread with folic acid. The draft standard was considered at the 25 October 2006 meeting of ANZFRMC and Ministers called for a first review of the standard due to technical considerations. FSANZ has 6 months to complete the review.
17. The aim of the proposed standard was to increase the folic acid intake of women of child bearing age to reduce the standard incidence of neural tube defects (NTDs).
18. FSANZ's recommended approach in the Final Assessment Report to fortify bread is far more costly to industry than the original approach to mandate the fortification of bread-making flour. FSANZ stated that the shift to bread as the food vehicle would provide greater certainty that the public health outcome would be met.

Mandatory Fortification with Iodine

19. FSANZ is progressing Proposal P230 - Consideration of Mandatory Fortification with Iodine. The objective of this proposal is to increase iodine intake to address mild to moderate iodine deficiency, particularly in women and children.
20. Under the proposed standard non-iodised salt will be replaced with iodised salt in breads and breakfast cereals at a level of 20 - 45 milligrams of iodine per kilogram of salt. The voluntary permission to iodise salt will be adjusted from the current range of 23 - 65 mg per kilogram to 20 - 45 milligrams per kilogram to be consistent with the mandatory requirement.
21. The two specific industry sectors affected by this proposal will be salt suppliers and manufacturers of selected cereal based products (bread and breakfast cereals).
22. During public consultations industry raised concerns about the export trade implications of the proposal as some countries do not permit the importation of foods containing iodised compounds.

Implementation of Recommendation 4.49 of the Banks Report

23. The Prime Minister's Regulation Taskforce report *Rethinking Regulation* (Banks Report) was released in April 2006 with 178 recommendations. The Australian Government agreed in full or in part to 158 of the recommendations including 4.49 which states that the Australian Government should commission an independent public review to examine:
- implementing outstanding recommendations from the Blair Review on the consistent application of food laws;
 - aligning levels of enforcement (including penalties) across jurisdictions; and
 - the role of the Australian Government in the food regulatory system, including whether it could play a greater role in enforcing the standards.

RESOLUTION

24. Council **NOTED** progress on:
- (i) Regulation of Residues of Agricultural and Veterinary Chemicals in Food;
 - (ii) Primary Production and Processing Standards;
 - (iii) Implementation of Recommendation 4.49 of the Banks Report; and
 - (iv) The Mandatory Fortification of Foods with Folate and Iodine.

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AGRICULTURAL TRADE – REVIEW OF DEVELOPMENTS

Overseas Posts

1. As part of the DAFF International Food and Agriculture Service, the Department increased its agricultural officers in Australian missions in key overseas markets. A new position in Jakarta will focus on engaging Indonesia on illegal fishing as well as on broader portfolio issues including biosecurity, agricultural trade policy, food import and export, bilateral agricultural cooperation and market access.
2. DAFF's existing agricultural specialist positions will remain covering Europe, Japan, Korea, the United States, the Middle East, India, South East Asia and China. These positions play a major part in our effort to ensure that markets remain open and in creating new opportunities by addressing market access barriers and facilitating trade.

World Trade Organization (WTO) Doha Round Negotiations

3. WTO Doha Round negotiations were suspended on 24 July 2006 after key differences in Members' positions could not be resolved.
4. There is now real uncertainty regarding the Round's prospects. Negotiations are likely to resume only when the European Commission and the United States show some willingness to move from their entrenched positions on market access and domestic support respectively.
5. Australia hosted the Cairns Group 20th Anniversary Meeting in Cairns from 20-22 September 2006. Cairns Group Ministers called for Doha negotiations to resume no later than November and urged countries with the highest levels of support and protection, such as the European Union, the United States and Japan to make improvements on their current offers.
6. Cairns Group Ministers also agreed to a technical work program which has commenced in Geneva to establish the conditions for an early resumption of negotiations.

WTO Dispute Settlement Actions

7. **European Union (EU) Sugar dispute:** The WTO ruled in October 2005 that the European Commission (EC) must implement measures to reduce its sugar export subsidies by 22 May 2006. The EC is required to reduce its subsidised sugar exports by around four million tonnes per year. The EC agreed to provide regular updates on production and export data that will allow Australia to monitor the EC's compliance with the WTO ruling. The EC has also taken steps to reform its export subsidy regime for sugar which is expected to reduce the amount of sugar on world markets and result in improved prices for Australian sugar producers.
8. **WTO challenge to quarantine arrangements:** The Philippines had not advanced its WTO challenge of Australia's quarantine regime. In particular, it has not requested that the WTO compose a panel to hear its challenge, which is the next step in the dispute process. Biosecurity Australia is expected to release the revised draft Philippine bananas Import Risk Assessment before the end of 2006.
9. **EC challenge to quarantine arrangements:** There is continuing progress towards a mutually agreed solution (MAS) to the EC challenge to Australia's quarantine arrangements. EC Member States (with the exception of Italy) indicated satisfaction with progress on the development of approvals for the importation of pig meat into Australia at the last formal meeting on 2 July 2006. Biosecurity Australia has progressed import access requests from Finland, Sweden, Spain, Italy and the United Kingdom consistent with established import policies and practices. The EC welcomed the release of the draft chicken meat IRA and indicated that remaining differences should be resolved at a technical level. Australia and Italy resolved outstanding issues on pigmeat and are in the process of finalising text for health certification.
10. **EC Geographical Indications (GIs):** In response to the WTO rulings in the EC GIs dispute, the EC proposed new regulations to clarify conditions and to amend procedures for the regulation of GIs. Australia and the United States disagreed with the EC's claim at the Dispute Settlement Body meeting on 21 April 2006 that it had fully implemented the dispute panel's recommendations and rulings. Australia will continue to monitor the EC's compliance.
11. **Brazil-US cotton subsidies dispute:** The United States has responded to the findings in the Brazil-US cotton subsidies dispute by eliminating the subsidy program for upland cotton and by amending export credit guarantees. The Dispute Settlement Body (DSB) agreed to Brazil's request for further arbitration to determine whether the reforms are consistent with WTO rules and whether the reforms comply with the recommendations and rulings of the DSB.
12. **EC ban on genetically modified organisms (GMO) dispute:** The Final Panel report was released on 29 September 2006 and found that the EC's de facto moratorium on GMOs was inconsistent with WTO rules. The EC is likely to appeal the Panel's findings.
13. **EC-beef hormones dispute:** In February 2005, the WTO established Panels at the EC's request in two separate but related disputes on the United States and

Canadian retaliation against the EU, following its loss in the EC-beef hormones dispute. The Final Panel report was expected to be released to the parties in October 2006.

Free Trade Agreement (FTA) Negotiations

14. **China:** Six rounds of negotiations were held with China, the last one being from 31 August to 6 September 2006. At this round, Australia and China were due to table their respective offers and requests on goods, including agriculture, marking the beginning of market access negotiations. While Australia was prepared with its offer and request, China needed more time to put together the detail required for negotiations to commence. Both sides agreed that Australia should set aside its offer while China gathers the additional information. China was expected to table an offer on goods at the next session scheduled to take place in early December 2006.
15. **Malaysia:** Negotiations on an FTA with Malaysia were announced in April 2005 and to date four full rounds of negotiations have been held. In addition there have been inter-sessional negotiations on specific issues. The next round of negotiations has not been scheduled but is linked to progress in the Malaysia United States FTA negotiations, which commenced this year.
16. **United Arab Emirates (UAE):** Negotiations that had been underway with the UAE since March 2005 were terminated due to pressure from other Gulf Cooperation Council (GCC) countries for FTAs to be only conducted on a GCC wide basis. The Government is examining expanding these negotiations to a GCC wide basis.
17. **Australia, New Zealand and ASEAN:** Negotiations were launched on 30 November 2004 and are expected to be completed by the end of 2007 for entry into force in 2008. There have been seven meetings of the Trade Negotiating Committee and significant progress has been made across all areas. Negotiations have moved to the drafting of text for almost all chapters and to the discussion of the modalities for tariff elimination/reduction. The next round (a 'special' round focusing on particular issues) was scheduled for 27-30 November 2006.
18. **Japan:** Work on the FTA feasibility study with Japan is approaching conclusion. Four meetings of the working group established to conduct the study have been held, the last in Tokyo in September 2006. The study is due to be put to the Joint Consultative Committee for endorsement on 6 November. Subject to agreement by the Prime Ministers, negotiations on a bilateral FTA could commence in 2007. Agriculture remains a difficult issue in the study.
19. Australia's quarantine regulatory systems, risk assessment and policy development processes are not negotiable as part of the FTAs, which do not compromise Australia's animal and plant health status.

International Treaty on Plant Genetic Resources for Food and Agriculture

20. This Treaty aims to make it easier for plant breeders to access plant genetic resources (seeds, tissue cultures etc) held in collections around the world to create new varieties and is critical to allow breeders to develop improved varieties with traits such as pest and disease resistance, the ability to cope with other stresses, increased yields, the expansion of arable areas and growing seasons, and added consumer health benefits.
21. The first meeting of the Treaty's Governing Body (June 2006) decided on a number of issues that had not been able to be resolved in negotiating the Treaty, or which required detailed consideration to implement its provisions. The delegation led by DAFF made significant contributions to negotiating a range of favourable outcomes, including the terms of the Standard Material Transfer Agreement (a private contract for the transfer of genetic resources under the auspices of the Treaty); decision making by consensus rather than voting; voluntary financial contributions rather than specified annual payments; recognition of the Global Crop Diversity Trust as an essential element of the Funding Strategy of the Treaty; and approval of model agreements with the International Agriculture Research Centres of the Consultative Group on International Agricultural Research and other organisations holding genetic material.

US Farm Bill 2007

22. Formal United States Department of Agriculture (USDA) 'listening sessions' with the US farm communities on priorities for the 2007 Farm Bill have concluded and USDA Secretary Johanns released a number of papers that assess the themes advanced at the Farm Bill Forums. The papers cover *Risk Management, Conservation and the Environment, Rural Development* and *Energy and Agriculture*.
23. Ultimately it will be the Agriculture Committees in the US House of Representatives and Senate that will write the Bill. The House Agriculture Committee commenced hearings with rural groups, with the Senate also expected to hold hearings during the course of the year.
24. Key issues that must be addressed by legislators include the large budget deficit, the consistency of Farm Bill programs with international commitments, and linkages with the WTO Doha Round negotiations. In particular, legislators will be cautious about exposing the Farm Bill to further WTO dispute settlement action — although this may be unavoidable if the Doha Round negotiations remain suspended over the medium-term.

European Developments

25. **EU Enlargement:** Negotiations with the EU on compensation for markets lost following the May 2004 EU enlargement concluded in late 2005. Administrative mechanisms for increases in Australia's quotas for cheddar cheese, high quality beef and sheep meat are now in place.

26. **EU Prawn Trade:** A number of consignments of wild-caught Australian prawns were rejected for naturally occurring cadmium in levels which exceeded the EU's maximum limit (ML), resulting in significant trade disruption. An EU Prawn Trade Issues Group, consisting of government and industry representatives was established to address this problem. The group is developing short and long-term strategies for resolving these issues, including seeking the removal of the EU's ML on cadmium in prawns. This would be consistent with both international food standards (Codex Alimentarius) and Australia's own standards, which do not set an ML for cadmium in prawns.

Middle East Developments

27. **Memoranda of Understanding (MoUs):** MoUs on the live animal trade were concluded with the United Arab Emirates (December 2004), Kuwait (March 2005), Eritrea (April 2005), Saudi Arabia (May 2005), Jordan (May 2005) and Egypt (October 2006). Negotiations are continuing with Oman, Qatar, Bahrain, Syria and Iran.
28. In addition to the MoU on Trade in Live animals signed with Egypt, a MoU on the Handling and Slaughter of Live Australian Animals was also signed on 3 October 2006. The MoU will improve the welfare of Australian animals from point of arrival (discharge) to point of slaughter in Egypt.
29. **Animal Welfare:** There was positive engagement with the Gulf Cooperation Council (GCC) to work on a Regional Strategic Plan on Animal Handling and Transport Arrangements. In June 2006, the GCC finalised the draft plan which will be progressed through the pathway to adoption by the Ministers of the GCC nations (Saudi Arabia, Kuwait, the UAE, Oman, Bahrain and Qatar). The GCC plan parallels the framework of the Australian Animal Welfare Strategy. It is designed to assist countries in meeting the World Organisation of Animal Health (OIE) guidelines on animal welfare. The GCC is the first region in the world to develop a plan to meet the OIE guidelines. DAFF and the Australian livestock export industry will continue to work with the GCC on the regional strategic plan to support the implementation of the Livestock Export Review (Keniry report) recommendations.

South East Asia and the Pacific Developments

30. **Minister's visit to South East Asia:** The Minister for Agriculture, Fisheries and Forestry visited Malaysia, Thailand and Indonesia from 18 - 26 August 2006.
31. **Indonesia – changes to plant quarantine requirements:** Indonesia announced changes to plant quarantine requirements for fruit fly host products into Indonesia. These had been implemented without relevant advice to trading partners. Changed conditions included removal of the recognition of pest free areas for fruit flies. Biosecurity Australia provided a submission plus supplementary technical information to Indonesia on fruit fly area freedom.
32. **Indonesia – draft regulations for offal imports:** Australia submitted formal comments, developed in consultation with industry, in response to Indonesia's

proposed regulations covering imports of meat and meat products. If implemented, the regulations will ban approximately 50% of Australia's current offal exports.

33. **Thailand – proposed new regulations on phytosanitary measures:** Thailand proposed new quarantine measures for plant quarantine requirements for a range of agricultural products, which could potentially impact on access to the Thai market, particularly for horticultural products. The regulations are currently in draft form and Thailand notified the WTO of the proposed regulations. It is not expected that the new regulations would come into force until the end of 2006 or early in 2007.
34. **Thailand-Australia Free Trade Agreement Special Safeguards:** The Minister for Agriculture, Fisheries and Forestry decided to apply special agricultural safeguard (SSG) provisions under the Thailand-Australia Free Trade Agreement (TAFTA) to imports of prepared and preserved pineapple and canned tuna from Thailand. These imports will now be subject to a temporary increase in the tariff rate.
35. **Malaysia-Australia Agricultural Cooperation Working Group:** The second meeting of the reactivated Malaysia-Australia Agricultural Cooperation Working Group was held 17-18 July 2006 in Canberra and included inaugural meetings of sub-working groups on livestock, crops and fisheries. The Working Group oversees and facilitates regular and comprehensive consultation and cooperation on agriculture, fisheries, agri-food, SPS and operational quarantine matters. Discussions included progress on the halal beef certification issue, recent developments in Malaysia-Australia FTA negotiations, existing cooperation and aquaculture. Malaysia also proposed a range of cooperative activities for consideration under the MoU for the Enhancement of Agricultural Cooperation.
36. **Malaysia undertook an audit of Australian meat establishments in 2005:** Religious issues of concern were raised in the audit relating to the slaughter of cattle. Subsequent religious decrees relating to electrical stunning and the timing of the thoracic stick resulted in Malaysia delisting all Australian beef slaughter establishments. There were no issues relating to the religious slaughter of sheep or goats flowing from the audit. The Australian Quarantine and Inspection Service (AQIS), in consultation with industry and Malaysian officials, developed a protocol for the use of pneumatic stunning in cattle.
37. **New Zealand plant quarantine requirements:** In June 2006, New Zealand released the final Import Health Standard for Australian bananas, which permits access conditional upon bananas being in the mature, hard, green state. Access for Australian bananas had been suspended since 1995 because of New Zealand's concerns about fruit fly. In 2002, access for Australian tomatoes to New Zealand was extended from five varieties to include all varieties of tomato, but conditions for access were not considered suitable. After ongoing technical discussions, New Zealand, in June 2006, agreed to improved import conditions for Australian tomatoes. This development should see the cost of exporting tomatoes to New Zealand fall. The Eminent Scientists Group completed its review of the draft final Import Risk Assessment for apples from New Zealand. The ESG report is under

consideration and Biosecurity Australia expected that the final policy determination would be completed towards the end of 2006.

North Asia Developments

38. **Ministerial visit to China and Korea:** The Minister for Agriculture, Fisheries and Forestry, the Hon Peter McGauran MP visited China and Korea from 21 September to 5 October 2006. The overall objectives of the visit were to strengthen Australia's bilateral agricultural relationship with China and Korea and to progress a number of key portfolio trade issues.
39. **Taiwan plant quarantine requirements:** The Australian Government is continuing to make every effort to restore access following the disruption to Australia's fruit exports to Taiwan caused by the enactment on 1 January 2006 of Taiwan's amended plant quarantine requirements upgrading Queensland fruit fly (Qfly) from precautionary to prohibited status.
40. During the annual Australia-Taiwan Bilateral Economic Consultations (BEC), held in Taipei on 18-19 October, Taiwan reaffirmed its commitment to advance Australia's market access requests following the receipt of all relevant information.
41. **Market access gains for Australia in Japan:** Recent gains include the agreement of an import protocol for all varieties of Tasmanian apples to Japan and the arrival of the first successful commercial shipments of Tasmanian cherries.
42. **Japan's positive list for agricultural chemical residues:** On 29 May 2006, Japan's Ministry of Health, Labour and Welfare (MHLW) introduced the 'positive list system' for agricultural chemicals in food. The positive list system prohibits the distribution of foods that contain agricultural chemicals above a certain level if maximum residue limits (MRLs) have not been established. For those chemicals for which provisional Japanese MRLs have been established, Australia played a pivotal role, by supplying MHLW with approximately 430 Australian MRLs for consideration.
43. **Japan's amendments to the Enforcement Ordinance for Feeds and Feed Additives:** On 29 May 2006, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) amended the Enforcement Ordinance for Feeds and Feed Additives which establishes provisional MRLs for pesticides in or on feeds. DAFF consulted with industry to develop a strategy to address Japan's proposed MRLs and ensure that any impact on Australia's exports is minimised and identified 56 pesticides of importance to Australia not included in the ordinance. An Australian delegation from DAFF and APVMA met with MAFF to clarify details of Japan's new import testing arrangements for feed and to seek Japan's agreement to establish a framework for consideration of Australia's stockfeed MRLs.
44. **Republic of Korea (ROK) - Rice:** Australian advocacy efforts succeeded after initial difficulties filling the 2005 country specific quota for rice to the ROK due to stringent specifications. A change in specifications has allowed SunRice to successfully negotiate a contract to export 10,033 tonnes of rice to the ROK in 2006. Australian rice will now be exported to the ROK for only the second time. It

will be the first shipment of Australian rice under the ROK's ten year Minimum Market Access requirements and the first time Australia has had long-term access to the Korean rice market.

45. **Republic of Korea (ROK) – Live Animal Exports:** Negotiations between DAFF and industry in Australia and DAFF and the Korean National Veterinary Research and Quarantine Service in the ROK have been continuing since several animals in a live cattle consignment to the ROK in August tested positive to Bovine Johne's disease on arrival. Given problems faced by Australian live exports to the ROK dating back well in advance of the current shipment, active consideration is being given to recommencement of a regular bilateral animal quarantine dialogue. DAFF would be keen to have such a dialogue recognised as one of a number of outcomes of the forthcoming visit to Australia in December by Korean President Roh and, in the longer term, incorporated into broader cooperation arrangements on agriculture.
46. **Agricultural Technical Cooperation (ATC) programme:** The first three projects to be funded under the ATC were announced recently by Minister McGauran at the Agricultural Conference in Xi'an, China. Projects include strengthening dairy husbandry training, fine wool marketing and livestock production education to improve grasslands management.
47. **Australia-China MoU on Cooperation in Sanitary and Phytosanitary Matters:** The first high level dialogue (Secretary/Vice Ministerial level) under the Australia-China SPS MoU was held in Beijing in July 2006. The SPS MoU and related dialogue are designed to provide a forum for cooperative discussion in the area of animal, plant and human health and to pursue market access issues; including, access for meat, livestock and horticultural products. Agreement was reached to progress multiple market access requests concurrently and for improved mechanisms for consultation and assessment.

RESOLUTION

48. Council **NOTED** recent developments relating to agricultural trade policy, including the suspension of the World Trade Organisation (WTO) Doha Round negotiations, ongoing negotiations for prospective Free Trade Agreements (FTA) with China, Malaysia, and ASEAN, progress on finalisation of the Australia-Japan FTA feasibility study and securing export opportunities in key markets for agricultural products.

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BSE DEVELOPMENTS AND ACTIVITIES

1. In May 2006, Australia, New Zealand and a number of other countries were recognised by the World Organisation for Animal Health (OIE) as meeting the requirements for a “BSE-free” country under a five category classification system. In July 2006 the European Commission (EC) wrote to all countries they had assessed as Geographical BSE Risk (GBR) Level 1, including Australia and New Zealand, and requested that countries submit an application for a further BSE risk assessment process by the OIE under a new three category classification system. This was because the EC’s GBR system lapses on 30 June 2007 and the EC wishes to default to the OIE’s country classifications for BSE under the three category system. If the OIE was unable to complete assessments in this time frame, the EC intends to conduct its own risk assessment against the new three category criteria. Disruption to Australia’s beef exports to the European Union is possible if one of these processes is not completed by the 30 June 2007 deadline. An Australian technical BSE submission for assessment was provided to the OIE in early November after consultations with domestic stakeholders and officials from the EC and OIE. New Zealand also provided a submission for assessment.

2. The EC conducted an evaluation of Australia’s and New Zealand’s preventative measures for BSE during October 2006. The Australian Government, States/Territories and Industry cooperated in preparing for the evaluation of Australia. The final itinerary agreed with the Food and Veterinary Office (FVO) involved the three eastern States and included site visits to a wide range of government and commercial sites. FVO advice at the exit meeting indicated that the final evaluation report (expected in February 2007) may contain a range of findings and non-binding recommendations aimed at improving the Australian system. The key findings/recommendations could possibly focus on broadened surveillance for BSE and strengthened domestic and import controls over cross-contamination of ruminant feeds. The Australian Government, jurisdictions and industry will cooperate to prepare an action plan to address the report’s likely findings. An unfavourable evaluation report could place at risk Australia’s current BSE ratings with possible flow on effects to some beef export markets.

RESOLUTION

3. Council **NOTED** the update provided on BSE developments and activities.

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NATIONAL RECOGNITION OF VETERINARY REGISTRATION

1. At PIMC 9 (October 2005), Ministers agreed that all jurisdictions should continue to support the development of national registration arrangements for veterinarians.
2. PISC 10 (April 2006) noted the action by AHC to progress single-transaction, Australia-wide registration for veterinarians in Australia, as supported by PIMC 9, and that legislative change would be required in all jurisdictions to give effect to the proposal.
3. An AHC National Registration of Veterinarians Working Group, which included representatives of the AVBC and the Australian Veterinary Association (AVA), developed options for national registration of veterinarians. They recommended a model involving recognition of interstate registration (national recognition) that would meet the obligations of mutual recognition in relation to regulation of the professions, provide for simple and effective implementation and maintain the current state/territory veterinary boards structure as much as possible.
4. Under the recommended national recognition model, legislative amendment in each state and territory in Australia would provide that a veterinarian is entitled to practice in a state or territory if they are registered in any state or territory in Australia – similar to the legal profession. A veterinarian would be required to register with the Veterinary Board of the state or territory in which they are resident or where they primarily practice. A veterinary surgeon suspended or deregistered from practice in any one jurisdiction in Australia would then be so suspended or deregistered from practice in all jurisdictions.
5. All Veterinary Boards, the Australasian Veterinary Boards Council (AVBC) and the Australian Veterinary Association (AVA) endorsed the principle of national veterinary registration. The AVBC Executive, the AVA, and most boards, have endorsed the proposed recognition model.
6. A Consultation Regulation Impact Statement (RIS), developed by an AHC Working Group in consultation with representatives of the AVBC and the AVA was posted on websites of DAFF, the AVBC and the AVA for stakeholder comment by 13 October 2006. The AVBC and the AVA jointly wrote to all registered veterinarians in Australia, encouraging them to make submissions on the RIS. The nature and number of responses indicates very strong support

amongst the veterinary profession and stakeholder groups, including livestock industries, for the proposed change.

7. The Queensland and Western Australia veterinary boards asked the AVBC to further consider issues they raised relating to the proposed national recognition model and are seeking legal advice in relation to parts of the proposed model.
8. Council endorsed the proposed model and requested that the national recognition arrangements be completed for PIMC endorsement in November 2007.

RESOLUTIONS

9. Council:
 - (a) **NOTED** the progress in the development of a model for national recognition of registration of veterinarians;
 - (b) **ENDORSED** the proposed model which provides that a veterinarian registered by a state or territory to practise in that state or territory, would be entitled to practice in all other states or territories;
 - (c) **NOTED** that there is very strong support in the veterinary profession and from industry groups for the proposed model;
 - (d) **NOTED** that AHC has initiated a process for veterinary boards and relevant state and territory departments to work together to address legislative and administrative issues that have been identified in the responses to the Consultation Regulation Impact Statement; and
 - (e) **REQUESTED** the completion of development of national recognition arrangements that can be uniformly implemented in all states and territories for endorsement at PIMC 13 in November 2007.

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FINANCIAL REPORT

1. Standing Committee is required to report to Council on all expenditures agreed within its limit of \$1m in any one instance
 - decisions on expenditure above \$1m are taken by Council.
2. A summary of the financial items considered by PISC 11 is at Annex A.

RESOLUTION

3. Council **NOTED** the financial expenditure agreed by Standing Committee.

ANNEX A: Summary of expenditure items

SUMMARY OF EXPENDITURE ITEMS

Agreed by PISC 11 out-of-session

OOS 10 Long Term Containment Strategy for Exotic Fruit Flies in the Torres Strait

Funding up to \$200,000 for 2006-06 for the containment strategy with the following member contributions:

	%	Routine bait spraying	Contingency blocking program	Overall contribution
		\$	\$	\$
Australian Government (DAFF)	50.0	40,000	60,000	100,000
New South Wales	10.2	8,160	12,240	20,400
Victoria	12.6	10,080	15,120	25,200
Queensland	15.4	12,320	18,480	30,800
Western Australia	3.7	2,960	4,440	7,400
South Australia	6.3	5,040	7,560	12,600
Tasmania	1.3	1,040	1,560	2,600
Northern Territory	0.5	400	600	1,000
TOTAL	100.0	80,000	120,000	200,000

OOS 17 Eradication of Grapevine Leaf Rust in the Northern Territory

Funding of \$310,728 for the National Grapevine Leaf Rust Eradication Program with a revised 2006-07 budget with the following member contributions:

	%	\$
Australian Government	50.00	155,364
South Australia	21.87	67,956
Victoria	14.24	44,248
New South Wales	11.30	35,112
Western Australia	2.17	6,743
Queensland	0.25	777
Tasmania	0.17	528
TOTAL	100	310,728

Agreed by PIMC 11 out-of-session**OOS 4 National Policy on Genetic Resources**

Agreed to cost sharing arrangements of \$80,000 for the appointment of an interim Executive Coordinator to establish the National Genetic Resources Centre with the following member contributions:

	A	\$
	%	
Australian Government	14.3	11 440
New South Wales	29.0	23 200
Victoria	21.2	16 960
Queensland	16.1	12 880
Western Australia	8.4	6 720
South Australia	6.6	5 280
Tasmania	2.1	1 680
Northern Territory	0.9	720
Australian Capital Territory	1.4	1 120
TOTAL	100.00	\$84100

Table based on ABS and Statistics New Zealand population figures as at 30 June 2002
A = 1/7th Australian Government and 6/7th States/Territories by population.

Agreed by PIMC 11 in-session**3B European House Borer**

Funding to a two year program commencing 1 January 2007 for the completion of surveillance, containment and further assessment of the feasibility of European House Borer eradication in Western Australia.

Table 1: Proposed Cost Sharing Based on Population for Phase Two of EHB Eradication Program (Jan 2007–Dec 2008)

Jurisdiction	% ²	Jan 2007 – Jun 2007	2007/08	Jul 2008 – Dec 2008	TOTAL
Australian Government	50.0	1,410,230	2,121,374	757,482	4,289,086
New South Wales	16.8	473,837	712,782	254,514	1,441,133
Victoria	12.24	345,224	519,312	185,432	1,049,968
Queensland	9.63	271,610	408,577	145,891	826,078
Western Australia ¹	4.88	137,640	207,046	73,929	418,615
South Australia	3.87	109,152	164,194	58,629	331,975
Tasmania	1.20	33,845	50,913	18,180	102,938
ACT	0.82	23,128	34,791	12,423	70,342
Northern Territory	0.56	15,794	23,759	8,484	48,037
<i>Sub-Total</i>	<i>100/80</i>	<i>\$2,820,460</i>	<i>\$4,242,748</i>	<i>\$1,514,964</i>	<i>\$8,578,172</i>
Industry	0/20 ²	\$0	\$471,417	\$378,741	\$850,158
TOTAL	100	\$2,820,460	\$4,714,165	\$1,893,705	\$9,428,330

¹ Western Australia has also expended \$9,970,740 during July 2004–December 2006.

² Industry - 20% contribution from 1 January 2008.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.17

NEXT MEETINGS

1. Forward meeting dates for meetings in April 2007 for the Natural Resource Management, Primary Industries and Environment Protection and Heritage Ministerial Councils were agreed by the Council in April 2006.
2. In order to provide host jurisdictions with sufficient time to arrange venues for future meetings, there was a need to agree to possible future timing and locations for Standing Committee and Ministerial Council meetings in 2007 and 2008.
3. The proposed locations reflected the decision in 2002 to rotate Council meetings between all non-Australian Government members and to rotate Standing Committee meetings between New South Wales, Victoria and South Australia (with costs in the latter case to be shared by all Australian jurisdictions).
4. In setting possible dates in 2007 and 2008, reference was made to previous years in terms of selecting periods in April and October that minimise the risk of significant clashes for Ministerial Council meetings with parliamentary sitting schedules in member jurisdictions.
5. The dates chosen for 2007 and 2008 will, as in previous years, be subject to jurisdictions releasing parliamentary sitting schedules.

RESOLUTION

6. Council **AGREED** to meeting arrangements in 2007 and 2008 as follows:

2007		
Standing Committees	15/16 March	Sydney
Ministerial Councils	19/20 April	Brisbane
Standing Committees	20/21 September	Victoria
Ministerial Councils	1/2 November	Western Australia
2008		
Standing Committees	13/14 March	South Australia
Ministerial Councils	17/18 April	Victoria
Standing Committees	September	New South Wales
Ministerial Councils	October	South Australia

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.18

OTHER BUSINESS

Layer Hen Housing – Cage Sizes

1. Tasmania sought clarification on the effects of legislation being introduced by Victoria on layer hen cage sizes from January 2007. In particular, Tasmania expressed concern that the Victorian regulations would allow for cages constructed after 1 January 2001 to remain at a floor space of 450 square centimetres per bird until 2015, rather than at the increased cage size of 550 square centimetres as mandated by ARMCANZ 18 in August 2000.
2. Council discussed the compliance difficulties some jurisdictions were experiencing as a result of the ARMCANZ resolution in the context of animal welfare and economic issues. A key concern was that with some jurisdictions already having in place legislation complying with the ARMCANZ resolution, there was the potential for inconsistency in legislative approaches between jurisdictions.
3. Queensland proposed that officials from all jurisdictions participate in a meeting to discuss the issues raised and assess the differing approaches being undertaken by jurisdictions.

RESOLUTION

4. Council **NOTED** that Queensland would convene a meeting of officials from all jurisdictions to discuss and assess differing approaches in enacting layer hen cage size legislation and report to Council as appropriate.

Sugar Cane Smut

1. Queensland sought Council agreement to forward a new proposal for consideration by the National Management Group (NMG) in relation to sugar cane smut.

RESOLUTION

2. Council **AGREED** that the Queensland government comes forward with a new proposal for consideration by NMG in relation to sugar cane smut.

OUT-OF-SESSION ITEMS

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.19

Finalised out-of-session 14 August 2006

TRANS-TASMAN COOPERATION ON AGVET CHEMICALS

1. Agvet chemicals have had a permanent exemption under the TTMRA since 1993. The Australian Productivity Commission reviewed Mutual Recognition Agreements in 2003. In December 2004, the Cross-Jurisdictional Review Forum paper, titled 'Evaluation of Mutual Recognition Schemes', recommended that DAFF and the New Zealand Food Safety Authority (NZFSA), in conjunction with the Australian States and Territories, lead a feasibility study, through the Primary Industries Ministerial Council (PIMC) to:
 - assess whether agricultural and veterinary products could be removed from the permanent exemptions list;
 - examine the scope for a cooperation program to allow agricultural and veterinary products to be more freely traded across the Tasman either on the basis of harmonized standards or mutual recognition; and
 - be completed by June 2006.
2. It was agreed that the Product Safety and Integrity Committee (PSIC) was best placed to undertake this work and develop a response for PIMC consideration because it included participation from DAFF, the Australian States and Territories, NZFSA and APVMA.
3. For agvet chemicals, mutual recognition between Australia and NZ would automatically allow a NZ registered product to be legally sold in Australia and vice versa. Whilst this may be appropriate for a limited number of products, eg veterinary medicines for companion animals, it is not feasible for the majority of agvet chemical products. The main reasons for this are the significant differences in Australian and NZ agricultural environments, production systems and practices, together with the different pest and disease risks associated with them; and the resulting differences in risk management policies and strategies and regulatory controls applied in each country to support its access to markets, free trade agreements and trade in primary produce generally. These are discussed in detail in Annex A. It is for these reasons that the permanent exemption was put in place in 1993.
4. After considering whether agvet chemicals should be removed from the list of permanent exemptions, PSIC has found that these reasons remain valid

and that, therefore, the current permanent exemption should remain in place. It was considered that there was scope for further work to be done to increase cooperation, address differences, harmonise requirements and remove exemptions where feasible.

5. PSIC recognised that progress has already been made in building cooperation between the APVMA and NZFSA to achieve relevant common regulatory approaches in the two countries and, while the removal of the permanent exemption is not supported, there are many aspects of the regulatory frameworks in the two countries that could be further harmonised, noting that significant progress has been made to strengthen cooperation between the APVMA and NZFSA, including:
 - reciprocal acceptance of Good Manufacturing Practice (GMP) licensing for veterinary medicines manufacturers (underpinned by a Memorandum of Understanding on this subject between APVMA and NZFSA);
 - harmonization of requirements for labelling of aerosol products;
 - sharing of information on adverse event reporting and product recalls;
 - NZ participation on the APVMA's state/agency consultative forum, the Registration Liaison Committee (RLC); and
 - Australia/NZ cooperation and representation in international standards-setting forums (eg VICH, Codex, OECD).
6. This existing cooperation provides a good foundation for further strengthening efforts towards greater harmonization. In addition, a number of other developments have occurred since the granting of the permanent exemption in 1993 which also provide a better basis for co-operation between APVMA and NZFSA. For instance, NZFSA (which is responsible for the marketing approval of agvet products focusing on managing risks to trade, agricultural security and animal welfare) and the Environmental Risk Management Authority (ERMA) (which is responsible for managing risks to the environment and to public health in regard to the hazardous characteristics of ingredients or formulations of substances) are establishing a Memorandum of Understanding (MOU) and operational agreements that will facilitate efficient regulatory control.
7. In Australia, the National Registration Scheme, administered by the APVMA, was established to provide a national approach to agvet chemicals regulation. A range of initiatives coordinated by PSIC has brought control of use regimes in different States/Territories closer together, although some differences remain. Significant reforms are also being implemented in the poisons scheduling of agvet chemicals through the National Drugs and Poisons Scheduling Committee (in which NZ participates), driven by the Galbally Review.
8. It was proposed that improved harmonisation be progressed through a five-year work plan underpinned by an MOU between APVMA and NZFSA. A draft scope of the workplan is at [Annex B](#). The high level objective of this workplan is to achieve timely access to the broadest range

of safe and effective agvet chemical products in both Australia and NZ through greater harmonization of market approval processes between the two countries.

9. The workplan focuses on achieving better alignment of standards, processes and procedures and acceptance of data assessments and evaluations aimed at alleviating the cost burden to industry of meeting divergent market approval requirements. It will build on the progress which has already been made to strengthen cooperation between APVMA and NZFSA and will commence formally early in 2006, with an initial milestone of establishing operational systems for sharing approval and adverse event information by December 2006. By December 2008, it is planned to achieve mutual acceptance of assessment reports for suitable product types and recognition of registrations for specific products where regulatory needs are agreed to be the same in both countries.

RESOLUTIONS

10. Council:
 - (a) **NOTED** that the reasons for granting the current permanent exemption of agricultural and veterinary (agvet) chemicals from the scope of the Trans-Tasman Mutual Recognition Agreement (TTMRA) remain valid and should continue to be recognised in Australian and New Zealand (NZ) agvet chemical regulatory frameworks;
 - (b) **AGREED** that, therefore, the current exemption of agvet chemicals from the scope of the Trans-Tasman Mutual Recognition Agreement (TTMRA) should remain;
 - (c) **NOTED** that substantial progress has already been made in building cooperation between the responsible regulators, the Australian Pesticides and Veterinary Medicines Authority (APVMA) and the NZ Food Safety Authority (NZFSA), to achieve relevant common regulatory approaches in the two countries, where possible;
 - (d) **AGREED** to the further strengthening of these efforts to achieve greater harmonization of market approval processes where appropriate; and
 - (e) **NOTED** that, to this end, a five-year work plan is being developed which will be underpinned by a formal Memorandum of Understanding (MOU) between APVMA and NZFSA.

ANNEX A: Reasons for retaining the current exemption.

ANNEX B: Australia/NZ Workplan to Achieve Greater Cooperation and Harmonisation of Regulation of Agricultural and Veterinary Chemical Products

REASONS FOR THE CURRENT EXEMPTION

Differences in agricultural environment, production systems and practices

The different regulatory systems applied in Australia and NZ have been developed to reflect the significant differences in good agricultural practice, agricultural environment (topography, climate) and the general agricultural production base and systems in the two countries. For instance, broadacre farming is widely practiced in Australia compared with its relative absence in NZ.

The geographical, topographical and climatic characteristics of the two countries are so different that choices of crops, livestock and production practices generally have little in common, except in a few areas. These environmental conditions also vary and have a strong influence on the kind and range of diseases, parasites and pests that need to be managed. This in turn dictates the kinds of agricultural and veterinary chemicals that are needed, the way those products are formulated and the instructions for their appropriate and safe use under particular circumstances. These differences impact directly and significantly on the need for, and safe and effective use of, agvet chemicals and need to be recognised in the respective Australian and NZ regulatory frameworks.

Different combinations of crop/animal, pest/disease, production systems and practices influence the conditions placed on the use of products with regard to the application, timing, rate and frequency and consequential withholding periods required to ensure the products are used without harm to people, the environment, or trade. This includes ensuring that domestic and importing country maximum residue limits are not exceeded. These factors determine whether an agvet chemical product will be registered (approved) for use, the conditions of that registration, and the information that must be included on the product label.

For the majority of products, this means it is not possible to have conditions of registration or product label content that is equally valid in both Australia and NZ. This is particularly the case when disease organisms or quarantine pests that are not present in one of the countries must be listed on the label. To do so would imply that they are equally relevant in both countries.

Market Access/Trade

The removal of the permanent exemption for agvet chemicals would effectively undermine the integrity of each country's agvet chemical risk management system and, therefore, its standing with current and potential trading partners. Australia and NZ must be able to provide their trading partners with the necessary assurances that their agvet chemical regulatory controls are effective and that the decisions they make regarding the importation, manufacture, sale and use of agvet chemical products reflect a full appreciation of the human

health, food safety, environmental and trade risks posed by the use of these products in their respective agricultural production systems.

While fundamental product assessment differences could and should be minimised, to the extent possible, via cooperation and greater harmonisation between the regulatory agencies, identical product specifications, eg for formulation, labelling and use, for both countries would compromise their ability to provide the assurances required by their trading partners. In addition, their ability to use the differences between them to maximise market access opportunities would be limited.

Australia/New Zealand – Workplan to Achieve Greater Cooperation and Harmonisation of Regulation of Agricultural and Veterinary Chemical Products

(Draft 27.01.2006)

1 Purpose

This workplan aims to progress the objectives set in the draft Memorandum of Understanding between the New Zealand Food Safety Authority (NZFSA) and the Australian Pesticides and Veterinary Medicines Authority (APVMA) to facilitate efficient and effective regulation and enhance cooperation to align regulatory requirements, standards and processes, and enable recognition of assessment and evaluation reports.

2 The Business Value

The close ties between the Australian and New Zealand markets for agricultural and veterinary chemicals provide a context for harmonisation of regulatory control between the two countries. Effective implementation of this workplan will facilitate more timely and cost-effective access to agricultural and veterinary chemical products, while maintaining satisfactory management of the different risks posed by such products in each country. Aligning standards and requirements for registration of products more closely and sharing information on risk assessment and management will minimise unnecessary differences in regulatory approaches between the two countries. Sharing registration and adverse event information will provide a more informed and confident regulatory environment based on better intelligence of shared concerns and developing issues.

3 Objectives

The broad objectives of the plan are:

- By December 2006 to establish operational systems for sharing approval and adverse event information.
- By December 2007 to identify, review and adjust relevant standards and information requirements.
- By December 2008 to achieve mutual acceptance of assessment reports for identified product types prepared by the two authorities and recognition of registrations for specific types of products where regulatory management is agreed to be equivalent in both countries.

4 Approach

This plan will be implemented, with measurable deliverables, within a 5 year period.

Teams comprising individuals from both Authorities will be established to progress each deliverable within an agreed timeframe.

A steering committee will be established to oversight the work. Respective organisational endorsement will be needed before changes can be implemented. A project coordinator in each country will be designated to drive the work and prepare joint quarterly reports on progress against the plan.

Where possible the opportunity will be taken for face-to-face contact at international fora and trans-Tasman meetings and coordinators will endeavour to maximise these opportunities. Nevertheless, there will be occasions in which specific face-to-face interaction is needed, particularly to familiarise team members with policy and operational differences.

5 Deliverables

Key deliverables are divided into work areas:

- Aligning registration data requirements/standards;
- Aligning approvals processes;
- Developing appropriate common risk assessment methodology
- Sharing appropriate assessments and recognising regulatory decisions; and
- Establishing information sharing systems.

Deliverables will be prepared as proposals for operational systems or draft standards or requirements, with sufficient detail to be able to judge the impact, for consideration by both authorities. Endorsed deliverables will be taken up by each authority and incorporated into standards or requirements or into operational processes.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.20

Finalised out-of-session 25 August 2006

FUTURE MAINTENANCE OF FREEDOM FROM BOVINE TUBERCULOSIS (TB) IN AUSTRALIA

1. A series of national programs to eradicate bovine brucellosis and bovine tuberculosis from Australia commenced in 1970. Bovine brucellosis was finally eradicated in July 1989. Bovine tuberculosis (TB) was considered eradicated from Australia in December 1997. Since 1970, approximately \$1 billion in direct costs has been spent to eradicate both diseases, with funds supplied by governments and the national cattle industry.
2. The latest of these programs, TFAP2, commenced in 2002 and is scheduled to conclude on 31 December 2006. It is jointly funded by the national cattle industry and the Australian, State and Territory Governments, and managed by Animal Health Australia (AHA) on behalf of all the parties. The key elements of the program include surveillance, compensation to producers, operational activities, the national reference laboratory and program management.
3. In the 12 years to December 2004, around 96 million slaughter cattle were inspected in the National Granuloma Submission Program (NGSP), with 44,000 granulomas subjected to laboratory examination and 67 cases of tuberculosis diagnosed. The last case of TB was found in Tasmania in 1972, Victoria in 1991, New South Wales in 1995, South Australia in 1996, Western Australia in 1998, Queensland in 2000 and the Northern Territory in 1999 (cattle) and 2002 (buffalo).
4. Despite intensive monitoring over the past four years under TFAP2, there have been no new cases of TB detected. In the last 10 years there have been only 21 primary cases, but with only 3 since 1999. The TFAP2 consisted essentially of abattoir-based surveillance activity, with some targeted surveillance of 'higher risk' groups. Eradication programs undertaken in response to the detection of two disease occurrences were finalised.
5. During this period, the Tuberculosis Freedom Assurance Program Coordinating Committee of AHA (TFAP2CC) identified what is required into the future to ensure Australia's internationally recognised TB free status is maintained. A major part of this planning is to ensure that a series of activities will continue within and between jurisdictions long into the future to ensure Australia's

freedom from TB is maintained. The key activities are described below and are outlined further at Annex A.

6. To ensure Australia maintains an internationally recognised status of freedom from TB, the following arrangements were proposed:
 - (a) Surveillance and Monitoring: The Australian Government, through the Australian Quarantine and Inspection Service (AQIS), will continue to monitor for TB as required under the Australian Standard for Hygienic Production of Meat for Human Consumption (as a minimum) and report the results to AHA as part of the national animal health surveillance system. The States and Territories will continue to monitor for TB as required under the Australian Standard for Hygienic Production of Meat for Human Consumption and also report the results to AHA.
 - (b) Response Activities: The national cattle industry, via the Cattle Council of Australia (CCA), will continue to reimburse States/Territories for compensation paid to producers for cattle destroyed as either test reactors (eradication or export testing) or in the eradication of any outbreak of TB as described in a proposed agreement between the CCA and individual State/Territory animal health authorities. All States/Territories undertake to eradicate any outbreaks of TB in cattle or buffalo as authorised under relevant animal health legislation and in accordance with the agreed post-2006 operating guidelines. Animal Health Committee will be responsible for coordinating all aspects of any outbreak response.
 - (c) National Reference laboratory: The National Reference Laboratory Scheme managed by SCAHLS will continue to provide diagnostic reference laboratory services to all States/Territories on a full cost recovery fee-for-service basis, with part-funding provided from the National Reference Laboratory Scheme.
7. Animal health authorities and the national cattle industry consider it timely to wind-up the national program and implement these arrangements for TB into the future. These arrangements will be complemented by a series of undertakings by individual jurisdictions to ensure that the activities required to detect, diagnose and eradicate any recrudescence of TB are undertaken into the future as part of their normal operations.
8. Animal health authorities further considered that the case for inclusion of TB in cattle and buffalo in the Emergency Animal Disease Response Agreement (EADRA) should be considered in 2010, with a view to considering a case for its inclusion.

RESOLUTIONS

9. Council:

- (a) **NOTED** that the Tuberculosis Freedom Assurance Program 2 (TFAP2) is scheduled to conclude on 31 December 2006;
- (b) **ENDORSED** its replacement with the proposed future arrangements to maintain Australia's freedom from bovine tuberculosis as outlined at Annex A;
- (c) **NOTED** that central funding is needed for the TB Reference Laboratory and is still to be negotiated;
- (d) **AGREED** these arrangements will be reviewed by PISC in 2010 with a view to considering a case for inclusion of bovine tuberculosis in the Emergency Animal Disease Response Agreement (EADRA); and
- (e) **NOTED** the distinct and noteworthy achievement by the Australian animal health community in eradicating bovine tuberculosis in this country.

ANNEX A: Proposed Future Arrangements to Maintain Australia's TB Free Status

Proposed Future Arrangements to Maintain Australia's TB Free Status

The Tuberculosis Freedom Assurance Program Coordinating Committee of Animal Health Australia (TFAP2CC) has identified what is required into the future to ensure Australia's internationally recognised TB free status is maintained. A major part of this planning was to ensure that a series of activities will continue within and between jurisdictions long into the future to ensure Australia's freedom from TB is maintained. The key activities are described below:

1. Surveillance

On-going surveillance to ensure maintenance of Australia's internationally recognised "Free" status for bovine tuberculosis is essential. Surveillance will be primarily abattoir based and maintained by Australian Quarantine and Inspection Service (AQIS) in export premises in accordance with the Australian Meat Inspection Standards. Similarly, States/Territories will continue to undertake abattoir-based inspection at domestic premises in accordance with local meat inspection requirements.

Testing data from live cattle exports would also be collected along with any other incidental testing carried out by the States and Territories.

Data from these sources will be reported as part of the National Animal Health Information System (NAHIS) managed by Animal Health Australia (AHA). The surveillance project will be monitored and regularly reviewed by a Technical Monitoring Group (TMG) with Cattle Council of Australia (CCA) representation to ensure that Australia's international reporting requirements are met. Any additional targeted testing would be undertaken within this project and funded accordingly.

2. Compensation

The CCA will continue to reimburse States/Territories for compensation paid to producers for cattle destroyed as either test reactors (eradication or export testing) or de-stocked as part of eradicating tuberculosis from a herd in order to regain market access. The CCA, assisted by AHA, will enter into a series of formal agreements for reimbursement of tuberculosis compensation with all States/Territories. These agreements will be developed on advice to limit the extent of financial exposure that may be incurred by the CCA in the event of a case of tuberculosis. This course of action is considered necessary due to the differing compensation legislation provisions in each State/Territory. In addition the slaughter of reactors as part of testing for live export will result in compensation being reimbursed by CCA to States/Territories.

3. Legislation

TFAP2CC has reviewed the animal health/disease control legislation in each State/Territory and confirmed that all States/Territories have the legislative authority, or other equivalent mechanisms, to eradicate a case of bovine tuberculosis within their respective jurisdictions and to pay compensation to affected producers for cattle de-stocked to slaughter as part of the eradication program.

4. Manual of Operating Guidelines for the eradication of bovine tuberculosis on a property.

TFAP2CC has prepared a Manual of Operating Guidelines to assist State/Territory animal health administrations plan and implement an eradication program on an infected property or area. The Manual will ensure that the knowledge and experience gained in the thirty-six years of the eradication program is documented and available in the event of a recrudescence of disease at any time in the future.

5. Eradication Coordination.

In the event of the detection of a case of bovine tuberculosis, the CVO in the affected jurisdiction would advise AHC and commence the preparation of an Approved Property Program (APP) as described in the Manual of Operating Guidelines. AHC would activate the TB Property Program Group (PPG), a committee of relevant government and industry representatives that would review the APP and advise AHC and industry accordingly. The CVO in the affected jurisdiction would remain responsible for the final content of the APP and the implementation of that program. The PPG would work with the combatant CVO, monitoring program progress against milestones in the APP, reporting to AHC and industry on a regular basis.

6. Reference Laboratory Service

Diagnostic reference laboratory services will continue to be provided to all States/Territories on a fee-for-service cost-recovery basis as part of the National Reference Laboratory Scheme. In addition the National Reference Laboratory Scheme administered by the Subcommittee on Animal Health Laboratory Standards (SCAHLs) will provide a contribution to core running costs of the laboratory.

7. Emergency Animal Disease (EAD) Status for Bovine Tuberculosis

It is generally acknowledged and previous technical reviews have identified that a period of eight to ten years (one cattle generation) should elapse since the last case of bovine tuberculosis before there can be any certainty that the disease has been finally eradicated from Australia. On this basis, it is appropriate that the case for the inclusion of bovine tuberculosis in the EAD Response Agreement (EADRA) be considered in 2010.

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.21

Finalised out-of-session 24 August 2006

VERSION 2 STANDARD FOR EXPORT OF LIVESTOCK

1. Standing Committee endorsed version 1 *Australian Standards for the Export of Livestock* (Standards) at PISC 8 in April 2005.
2. DAFF re-established a Livestock Export Standards Advisory Committee (LESAC) and a Technical Working Group to provide advice on the further development and review of the Standards. At its meeting on 26 and 27 October 2005, LESAC endorsed draft version 2 changes proposed by the Technical Working Group. Draft version 2 Standards were circulated for stakeholder comment and endorsement in December 2005 and made available on the DAFF website.
3. Standing Committee considered the Version 2 Standards at PISC 10 in March 2006. NSW and Tasmania raised concerns with particular standards and Standing Committee agreed to note the Standards rather than endorse them and requested that DAFF work with NSW and Tasmania to resolve their concerns.
4. At PISC 10 (March 2006), Standing Committee agreed that states and territories would continue to investigate specific instances of alleged cruelty during the land transport of livestock for export
5. DAFF briefed Ministers at the Animal Welfare Ministers meeting on 20 April 2006. The meeting agreed that the Standards should be progressed for endorsement.
6. DAFF worked with the NSW Department of Primary Industries and the Tasmanian Department of Primary Industries, Water and Environment and LESAC to address their concerns in relation to standards affecting pastoral sheep and lambs in S3.9 and the land transport standards.
7. RSPCA Australia, which is a member of LESAC, advised the other members that they would not endorse the version 2 Standards until their concerns about the lack of enforcement, compliance and penalties for the Standards were addressed and resolved. LESAC noted the RSPCA's concerns but agreed to proceed with the version 2 Standards on the basis that further delays would mean lower welfare standards in the live export chain.

8. Through the PISC out-of-session process, Victoria endorsed the Standards with conditions. Victoria's key concern was with standard 4.8, and recommended that this standard should incorporate inspections by an AQIS-accredited veterinarian, contracted and accountable to AQIS, as recommended in the Keniry Report.
9. AQIS advised Victoria that AQIS Accredited Veterinarians (AAV) do undertake the inspection role as part of their duties outlined in the Approved Export Program (AEP). The AEP is approved by AQIS under the requirements of the Australian Meat and Livestock Industries Act and the Export Control Act and their subordinate legislation.
10. AQIS is auditing all licensed exporters on their performance in meeting the Standards and consulting with state and territory governments to develop a communication strategy to enhance the ability of the states and territories to fulfil their responsibilities relating to livestock exports.
11. Version 2 Standards were modified to improve clarity and verification of particular Standards. Some previous standards are now required outcomes or guidelines, as they were not verifiable.

RESOLUTIONS

12. Council:
 - (a) **ENDORSED** the revised version 2 Australian Standards for the Export of Livestock (Annex A); and
 - (b) **NOTED** Victoria's concerns and the Australian Quarantine and Inspection Service's (AQIS) response to these concerns.

ANNEX A: Version 2 Australian Standards for the Export of Livestock
(Annex is held in the PIMC Secretariat)

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.22

Finalised out-of-session 24 August 2006

NATIONAL POLICY ON GENETIC RESOURCES

1. At PIMC 10 (20 April 2006) members agreed to a number of recommendations in relation to the formation of a National Genetic Resources Centre.
2. NSW suggested an amendment to recommendation 1(b) of agenda paper 4H National Policy on Genetic Resources to include both the NGRC Statement of Strategic Intent and the recommendations of the Steering Committee as the basis for the establishment of a National Genetic Resource Centre. These documents are attached at Annexes A and B, respectively.
3. Ministers suggested that they would need to review the recommendations in detail before agreeing to this proposed amendment to the recommendation. Ministers did agree to the recommendation to refer the determination of a preferred transitional approach to the IDC.
4. NSW made this suggestion in particular because of the preferred transitional structure proposed by the Steering Committee involving the employment of an interim Executive Coordinator, rather than the employment of a National Director at considerable cost as proposed under the Statement of Strategic Intent.
5. Endorsement of Recommendation 1(b) was required to allow the process for employment of an interim co-ordinator to proceed.

RESOLUTIONS

6. Council:
 - (a) **NOTED** the existing PIMC 10 resolutions in relation to the formation of a National Genetic Resource Centre; and
 - (b) **ENDORSED** the NGRC Statement of Strategic Intent (Annex A) and the recommendations of the Steering Committee (Annex B) as the basis for the establishment of the NGRC, subject to agreement by the PISC Industries Development Committee (IDC) on the preferred transitional approach for rationalising the PGRC's including agreement on cost sharing arrangements.

ANNEX A: NGRC Statement of Strategic Intent

ANNEX B: NGRC –Steering Committee recommendations for transitional arrangements 2006-07

(Annexes are held in the PIMC Secretariat)

Primary Industries Ministerial Council	MEETING NUMBER: 11
	LOCATION: CHRISTCHURCH
	DATE: 24 NOVEMBER 2006
RESOLUTION	No: 11.23

Submitted to Council for information 22 September 2006

BEST PRACTICE FRAMEWORK OF REGULATORY ARRANGEMENTS FOR AQUACULTURE IN AUSTRALIA – IMPLEMENTATION PROGRESS REPORT

1. The Productivity Commission initiated a research paper titled “Assessing Environmental Regulatory Arrangements for Aquaculture”. Its purpose was to assess the planning and environmental regulatory arrangements covering marine and land-based aquaculture production in Australia.
2. The outcomes of the paper were presented to PIMC 5 on 19 May 2004. PIMC 5 noted the key points of the study and agreed that the Marine and Coastal Committee (MACC) construct a “Best Practice” model of regulatory arrangements for consideration by jurisdictions in undertaking aquaculture planning, regulation and management by the end of 2004.
3. The Aquaculture Committee agreed to develop recommendations on how to progress toward ‘best practice’ arrangements across the States, using the outcomes of the Productivity Commission research paper as a basis for discussion.
4. The draft ‘Best Practice Framework of Regulatory Arrangements for Aquaculture in Australia’ was circulated by the Aquaculture Committee on 21 December 2004 and again on 8 February 2005 for comment.
5. It was endorsed by the Australian Fisheries Management Forum (AFMF) and the MACC on 3 and 4 February 2005, subject to inclusion of comments from the Australian Government Department of the Environment and Heritage. The draft was presented to PISC 8 on 10 March 2005 and PIMC 8 endorsed the Best Practice Framework in April 2005.
6. Following endorsement of the Best Practice Framework, PIMC requested a progress report on State/NT implementation of the recommendations contained in the framework.
7. The Aquaculture Committee analysed the current status of all States/NT against the framework in a gap analysis and noted that all States/NT are advanced against at least one recommendation.

8. The Aquaculture Committee developed tangible performance indicators for each recommendation to enable each jurisdiction to assess and document its progress in implementing the recommendations (Annex A).
9. The Aquaculture Committee acknowledged that multi-jurisdictional issues, such as different legislative environments in the States/NT, have been recognised in the development of the performance indicators. As a result, it is not practical for all States/NT to implement all recommendations as written.

RESOLUTIONS

10. Council **NOTED** the attached table outlining State/NT progress on implementation of the best practice framework of regulatory arrangements for the aquaculture industry in Australia.

ANNEX A: Progress Report on State/NT Implementation of the Best Practice Framework of Regulatory Arrangements for Aquaculture in Australia

(Annex is held in the PIMC Secretariat)

PRIMARY INDUSTRIES MINISTERIAL COUNCIL

Communiqué

PIMC 11

24 NOVEMBER 2006

Primary Industries Ministers from across Australia met in Christchurch, New Zealand on Friday 24 November 2006 to consider progress on issues impacting on Australia's primary production sector. This was the Eleventh meeting of the Primary Industries Ministerial Council. Specific issues dealt with by the Council are detailed below.

Drought Policy Reform

Council received a presentation from the Australian Government Bureau of Meteorology on current climatic conditions in Australia.

Council noted the severe difficulties continuing to face farmers and rural communities and many small businesses due to the prolonged drought. Council also noted the additional assistance measures being provided by the Australian, State and Territory Governments in response to these worsening conditions, and encouraged all jurisdictions to continue to provide appropriate support.

Council requested that a report on the use of these latest measures be provided to Council in October 2007.

Council also considered a report on longer-term options for improving farmers' drought preparedness and for more consistent drought declaration processes prepared by a reference group of key government and industry stakeholders. Council acknowledged the importance of this work and the valuable contributions by stakeholders. However, in recognising the current situation facing farmers and rural communities, Council agreed that longer-term options for improving drought preparedness should be considered further at a more appropriate time.

European House Borer

Council noted work by the Western Australian Government in seeking to control and eradicate an incursion of European House Borer (EHB).

Council agreed, subject to Treasury approvals, to a two year EHB eradication and containment programme that includes national cost sharing arrangements by governments and industry. Council also agreed that continued support for the programme in year two would be subject to a review in 2007 that demonstrates that eradication is feasible and industry funding a 20 percent share of the costs.

Taxation Treatment of Structural Adjustment Payments

Council noted a paper from NSW on the tax treatment of structural adjustment payment schemes and agreed that these matters be referred to Treasurers for consideration.

Australian Biosecurity System for Primary Production and the Environment (AusBIOSEC)

Council noted that continual improvement in Australia's biosecurity arrangements is vital and noted progress in the enhancement of the Australian Biosecurity System for Primary Production and the Environment ('AusBIOSEC'). This will include provision of an InterGovernmental Agreement (IGA) for Council consideration in April 2007. The IGA will define clearly the responsibilities of the Australian and state and territory governments in improving Australia's biosecurity system.

Council discussed national cost sharing arrangements for the public good component of a national emergency response to an incursion and agreed that a national response would first require agreement that:

- the incursion is of a nationally significant invasive species;
- the response would be feasible and cost-effective; and,
- the incursion is not eligible for funding under other emergency response arrangements which involve industry cost-sharing.

Council gave in-principle agreement to a cost sharing formula which would be based on the potential of an invasive species to affect a jurisdiction and the principle that beneficiaries contribute to a response.

Promotion of Primary Industries to the Education Sector

Council noted a paper prepared by NSW and Queensland outlining an approach for improved national co-ordination of the promotion of primary industries to the education sector. Council agreed that the primary objective of the initiative was to increase awareness of the role, responsibility and value of primary industries through schools.

Council agreed that the National Network for the Promotion of Primary Industries to Schools would report to Council in 2007 on the progress of the national network. Council also agreed that New South Wales and Queensland would prepare a discussion paper on education and trading framework for the primary industries sector for reporting back to Council within twelve months.

Wine Industry Issues

Council discussed the difficult conditions being experienced by growers and winemakers and the key issues facing the industry. These issues include managing the impact of the current drought and, in the medium term, reducing stocks to acceptable levels and improving competitiveness.

Council noted the work being done by the Australian and State Governments to support the wine industry to maintain and improve its competitiveness and agreed to maintain a high level of cooperation to ensure that policies and programme resources of governments continue to assist the industry in responding to current conditions.

Indigenous Reconciliation Action Plan

Council endorsed for public release a biennial report on programmes contributing to the Indigenous Reconciliation Action Plan. The report details the skills and training initiatives being undertaken through NRM and Primary Industry programmes to improve long term employment opportunities for Indigenous communities and to improve natural resource management. The Council also considered a paper on water management for Indigenous communities and long term employment in natural resource management and primary industries. Council agreed that governments would work together to improve water management, including the reliability of supply and long term employment in Indigenous communities.

Policy Direction for Development of Laws to Protect Animal Industries from Disruptive Activities

Council endorsed a National Policy Framework for development of Laws to Protect Animal Industries from Disruptive Activities in order to address the need for a unified and nationally harmonised approach across Australia. Council also agreed that its Standing Committee should assess existing and proposed new state and territory laws against the National Policy Framework and report back to the next meeting of Council.

Australian Position Statement on the Export of Livestock

Council endorsed the Australian Position Statement on the Export of Livestock which will be published and used in the development of the Version 2 Australian Standards for the Export of Livestock. The Position Statement will promote Australia's continued excellent progress in improving animal welfare outcomes in the live export trade, by providing stakeholders with a clear outline of their roles and responsibilities.

UN Declaration on the Welfare of Animals

Council notes the work being undertaken by the World Society for the Protection of Animals (WSPA) to persuade the United Nations to adopt a Universal Declaration on Animal Welfare. Council agreed that the Australian Government continue to work to ensure that the eventual non-binding Declaration includes language which Australia has agreed and cannot be misconstrued to, restrict trade in live animals and animal products.

Food Regulation Issues – Update

Council noted key food regulation issues that are of relevance to primary production and food industries currently being progressed by the Australia New Zealand Food Regulation Ministerial Council (ANZFRMC) and Food Standards Australia New Zealand (FSANZ).

Council welcomed the approval by ANZFRMC of the *Ministerial Policy Guideline on the Regulation of Residues of Agricultural and Veterinary Chemicals in Food*. The policy guideline will provide a framework for FSANZ to address issues surrounding the current zero tolerance approach to residues of agvet chemicals in food.

Agricultural Trade – Review of Developments

Council received an overview of recent developments in agricultural trade. Council noted the lack of progress in the WTO Doha Round of agriculture negotiations. Council further noted progress on existing Free Trade Agreements with China,

Malaysia, and ASEAN (with New Zealand).

Council welcomed outcomes on technical market access for live animal exports into Saudi Arabia, Jordan and Egypt and noted the need for ongoing work on technical market access issues, particularly in response to changed access requirements for horticulture products in some Asian countries.

BSE Developments and Activities

Council noted significant developments in regard to bovine spongiform encephalopathy (BSE), including an Australian request for an updated BSE risk assessment by the World Organisation for Animal Health and assessments of Australia's BSE preventative measures.

National Recognition of Veterinary Registration

Council endorsed a proposed model for national registration of veterinarians, where a veterinarian registered by a state or territory to practise in that state or territory, would be entitled to practise in all other states or territories. Council noted the very strong support in the veterinary profession and within industry groups for this change. Council also requested completion of the national recognition arrangements for endorsement by PIMC in November 2007.