



Australian Government

Department of Agriculture, Fisheries and Forestry

PRIMARY

INDUSTRIES

MINISTERIAL

COUNCIL

Record and Resolutions

Fourth Meeting

Perth

2 October 2003

RECORD AND RESOLUTIONS

OF THE

PRIMARY INDUSTRIES MINISTERIAL
COUNCIL

FOURTH MEETING
PERTH, 2 OCTOBER 2003

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

FOURTH MEETING

PERTH, 2 OCTOBER 2003

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

FOURTH MEETING

PERTH, 2 OCTOBER 2003

COUNCIL PARTICIPANTS

The Hon Warren Truss MP (Chairman)	Minister for Agriculture, Fisheries and Forestry
Senator The Hon Ian Macdonald	Minister for Fisheries, Forestry and Conservation
The Hon Ian Macdonald MLC	Minister for Agriculture and Fisheries New South Wales
The Hon Bob Cameron MP	Minister for Agriculture Victoria
The Hon Henry Palaszczyk MP	Minister for Primary Industries & Rural Communities Queensland
The Hon Kim Chance MLC	Minister for Agriculture Western Australia
The Hon Paul Holloway MLC	Minister for Agriculture, Food and Fisheries South Australia
The Hon John Hill MP	Minister for Environment & Conservation South Australia
The Hon Dr Chris Burns MLA	Minister for Primary Industry and Fisheries Northern Territory
The Hon Bryan Green MHA	Minister for Primary Industries, Water and Environment Tasmania
The Hon Chris Carter MP (representing The Hon Jim Sutton MP)	Minister of Conservation New Zealand

OFFICIALS IN ATTENDANCE

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

Australian Government

Mr Michael Taylor* Department of Agriculture, Fisheries and Forestry

Mr Don Banfield

Mr Darryl Quinlivan

Secretariat

Mr Phil Lansdown

Ms Judi Lilley

Ms Debra Robertson

Mr Shaun Coffey*

CSIRO

Dr Geoff Love*

Bureau of Meteorology

Mr Bruce Stewart

New South Wales

Dr Richard Sheldrake*

NSW Agriculture

Mr Don Hayman

Victoria

Ms Chloe Munro*

Department of Primary Industries

Mr John Galvin

Dr Bruce Kefford

Queensland

Mr George O'Farrell

Department of Primary Industries

Mr Kevin Dunn

Mr Peter Neville

Western Australia

Dr Graeme Robertson*

Department of Agriculture

Mr Ian Longson

Dr Paul Biggs*

Forest Products Commission

Mr Ian Herford

Mr Keith Low

Mr Jon Murch

Ms Grace Silvestro

South Australia

Mr Jim Hallion*

Primary Industries and Resources SA

Mr Barry Windle

Mr Robert Freeman*

Department of Water, Land & Biodiversity

Mr Roger Wickes

Conservation

Tasmania

Mr Kim Evans*

Department of Primary Industries, Water and
Environment

Mr Andrew Blakesley

Department of Infrastructure, Energy and Resources

Northern Territory

Mr Roger Smith*

Department of Business, Industry & Resource
Development

Australian Capital Territory

Ms Elizabeth Fowler

Environment ACT

PRIMARY INDUSTRIES MINISTERIAL COUNCIL

FOURTH MEETING

PERTH, 2 OCTOBER 2003

AGENDA/RESOLUTIONS

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

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CHAIRMAN'S OPENING COMMENTS

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

Apologies were noted from:

- . The Hon Paul Lennon, MHA for Tasmania;
- . Mr Jon Stanhope, MLA for the Australian Capital Territory; and
- . The Hon Jim Sutton, MP for New Zealand.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.1

DROUGHT AND CLIMATE SITUATION AND OUTLOOK

1. The current drought has had a significant impact on regional and rural communities and on the national economy as a whole. Whilst there are early signs that climatic conditions are returning to more normal scenarios, some of Australia's principal agricultural regions remain affected by drought and low water storages levels also continue to be a problem in certain areas.
2. At PIMC 3 (April 2003), Council noted that:
 - "the Commonwealth Minister for Agriculture Fisheries and Forestry intends to convene a meeting of national and State farm organizations, State/Territory governments and other relevant bodies, once the present drought is over (to which State and Territory Ministers will be invited) to hear their suggestions on how Commonwealth and State/Territories drought assistance can be made more efficient and effective; and
 - the Commonwealth Minister's intention is that an options paper will be prepared based on the outcomes of this meeting, for consideration by Commonwealth and State governments for possible reforms of existing drought assistance measures."
3. PISC 5 (September 2003) agreed that a range of options, including possible new approaches for future drought assistance, would be developed for consideration by the national Roundtable.
4. The Bureau of Meteorology reported to PIMC 3 (April 2003) on climatic conditions, the status of the El Niño event (a major factor in the drought conditions) and drought outlook for the remainder of 2003. Since that time, the El Niño event that prevailed through much of 2002 has abated and is now in neutral conditions.
5. The Bureau of Meteorology's rainfall outlook for the December quarter (October to December) shows that wetter conditions are favoured in the northeast and west of the country. In contrast, the last three months of the year are more likely to be drier than average in the far southeast. This outlook is largely the result of higher than average temperatures in the Indian Ocean. The Bureau's temperature outlook for the December quarter shows moderate to large swings towards warmer than average daytime and night time temperatures over most parts of the country.
6. Low levels in water storages are a major problem. Even with average rainfall, storage levels will remain low in many areas. Reduced water allocations could have serious

impacts on irrigated industries such as rice and cotton in 2003-04. It could take several years of average to above average rainfall to fully recharge dam levels in the worst affected areas.

7. Council discussed the proposal for a national Roundtable to be held to discuss future drought assistance arrangements including input that could be provided from stakeholders and through the Standing Committee. It was also noted that the Regional Development Council through its Standing Committee has expressed interest in participation in the Roundtable process. In recognising the impact of drought on small businesses and workers in drought affected areas, Minister Truss agreed that appropriate representatives of non-farm interests would also be included in the Roundtable.

RESOLUTIONS

8. Council:
 - (a) **NOTED** the drought assistance update provided by Australian Government/State/Territory Ministers;
 - (b) **NOTED** that, after further consultation with the National Farmers' Federation and State and Territory Ministers, the Australian Government Minister for Agriculture Fisheries and Forestry will convene a national Roundtable in 2004 to discuss how future drought assistance can be made more efficient and effective;
 - (c) **NOTED** that the Australian Government Minister for Agriculture, Fisheries and Forestry intends to establish an independent panel to consult with stakeholders about drought assistance and to provide input to the national Roundtable;
 - (d) **NOTED** that the Standing Committee is developing a range of options for consideration by the national Roundtable, including possible new approaches for future drought assistance, drawing on experiences gained during the recent drought;
 - (e) **AGREED** that the Chair of the Standing Committee on Regional Development participate in this Roundtable process; and
 - (f) **AGREED** that a report on the Farm Management Deposit Scheme be provided to the next meeting of Council in April 2004.

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	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.2

TRADE – POLICY ISSUES REVIEW

1. Council was provided with status reports on a number of key trade policy areas including the WTO Doha Round negotiations and the Cancun Ministerial Conference, Free Trade Agreement negotiations with the US and Thailand and the recent Mid-Term Review of the EU CAP Agenda 2000 program. Australia is also now involved as both a complainant and a defendant in a number of WTO dispute settlement actions that could have important implications for quarantine arrangements and export interests.

WTO Doha Round Negotiations

2. The Cancun 5th WTO Ministerial meeting (10-14 September) resulted in a disappointing outcome in terms of achieving fairer multilateral trading conditions for Australian farm exporters. The objective of the Cancun meeting was to review progress on the overall Round and set the direction for the next phase of the negotiations. The Round is scheduled to be completed by 1 January 2005.
3. However, the meeting broke down over objections by a range of developing countries over whether to start negotiations on so-called 'Singapore issues'. These refer to non-agriculture trade issues related to investment, competition, government procurement and trade facilitation.
4. The meeting collapse precluded final negotiations on the draft agriculture text that was also to be considered. Council was informed that it was far from clear at that late stage whether or not the draft agriculture text would not have been acceptable to all players in any case. For example, it fell short of Australian expectations, particularly on the opening of markets and the elimination of export subsidies.
5. Further, the draft text only adopted a 'framework only approach'. That is, it did not try to spell out details on how much market distorting protection and support would be reduced or how much protected markets would be opened up.
6. The framework idea had emerged after there was no discernable shift in positions on agriculture in an intensive series of high-level meetings leading up to Cancun. It also followed the lead of a joint EC/US paper setting out a framework for modalities released in late August which led to a number of counter proposed frameworks being put on the table. These included a paper by the G21 developing countries that emerged

from the efforts by Brazil and India. This group of developing countries added a new dynamic to the negotiations.

7. WTO members have instructed their senior officials to keep working on outstanding issues and to hold a meeting no later than 15 December 2003 to take action to enable members to move towards a successful and timely conclusion of the negotiations. The outcome of the Cancun meeting will clearly make it difficult for WTO members to meet the planned deadline for the Round.
8. WTO negotiations on non-agriculture market access (including fish and forestry products), fish subsidies and the proposed multilateral register for geographical indications for wines and spirits have been continuing at a slow pace, as they have been overshadowed by the impasse on agriculture.

FTA Negotiations

9. The FTA negotiations with Thailand and the United States continue to be progressed, with both negotiations now entering a more substantive phase. Issues of particular interest include the treatment of key agricultural tariffs and tariff quotas and the approach on handling SPS in these agreements. A very ambitious target of October 2003 has been agreed for the conclusion of the Thai FTA and in discussions between Prime Minister Howard and President Bush on the US FTA, it has been noted that finalisation of the agreement by the end of 2003 would be desirable, while acknowledging the complex nature of the negotiations.

USA

10. The third round of negotiations was held in Hawaii in the week of 21 July. This was the first substantive discussion of market access issues and each side conveyed a comprehensive initial and conditional offer to the other. The US offer on agriculture was regarded as conservative and Trade Minister Vaile has made it clear that Australia will be looking for very substantial improvements over the coming months. In response to the initial US offer, Australia conveyed a follow-up market access request to US negotiators in late August. It is hoped to progress to next offers in advance of the fourth round of formal negotiations in late October.
11. A relatively straightforward draft text on sanitary and phytosanitary measures based on the US/ Chile FTA model has largely been settled.

Thailand

12. The seventh round of negotiations was held in Thailand from 1-3 September. While progress has been made on a broad front, difficulties persist in a range of areas including tariffs, SPS, rules of origin, services and investment.
13. Australia's initial offer on tariffs was tabled for discussion at the June negotiating session. It is conditional on a satisfactory reciprocal offer being tabled by Thailand.
14. The Agreement will include a chapter covering SPS and Food Standards. It effectively reaffirms each Party's existing rights and obligations under the WTO SPS and TBT Agreements. There is also provisional agreement to establish a consultative mechanism to oversee the implementation of the chapter.

15. DFAT will be consulting industry and the States further on issues in the negotiations.

Japan

16. On 16 July 2003 Prime Minister Howard and Japanese Prime Minister Koizumi signed the Australia-Japan Trade and Economic Framework. The Framework provides a basis for further strengthening the Australia-Japan bilateral trade and economic relationship and includes a package of facilitation measures.
17. In the agriculture and food area, the Framework provides for bilateral discussions on food safety inspection and certification systems and on food technical issues. It was also agreed to establish an exchange of technical information on electronic health certification of food and produce.

WTO Dispute Settlement Actions

18. There has been a sharp increase in the number of agriculture related WTO disputes involving Australia.
19. Australia is a respondent in two important WTO challenges to our quarantine arrangements. Following unsuccessful consultations, both the Philippines and the European Commission have moved their challenges onto the formal WTO panel stage.
20. Australia, along with Brazil and Thailand, has launched a challenge against the EU sugar regime. Australia's case against the EU sugar regime will focus on the indirect export subsidies being provided to around 2.5 million tonnes of EU sugar that is being exported each year above their permitted export subsidy volumes.
21. Australia is also a co-complainant with the US in a challenge to the EU's regime covering geographical indications. Australia has joined in this dispute to counter the EU push to have GI protection extended beyond wines and spirits in the Doha Round. A panel was also established in October.-
22. Australia is a third party to the following disputes: US challenge to Japan's quarantine measures on apples; the US challenge to the Canadian Wheat Board; Brazilian challenge to US cotton subsidies; and the US challenge to the EC ban on GMOs. On *Japan –Apples*, the WTO panel concluded that Japan's quarantine measures for fire blight disease were inconsistent with the WTO SPS Agreement. Japan has appealed the panel findings with the appeal process expected to take around 3 months. Both the US cotton and CWB disputes have progressed to the panel stage with interim reports expected in early-mid 2004.

EU Common Agricultural Policy – Mid Term Review

23. On 26 June, EU Agriculture Ministers reached agreement on a package of reform measures to the Common Agricultural Policy - *'The reformed CAP; accomplishing a sustainable agricultural model for Europe'*.
24. The Reform package introduces partial decoupling through the concept of a 'single farm payment', outlines a phased reduction in some direct payments and allows the

reallocation of some funds from direct payments to rural development assistance. In short, it amounts to changes in the forms of support provided rather than significant changes in the actual levels of support.

25. The view was put to Council that overall the reforms make EU policy slightly less negative for world agricultural markets but there are many uncertainties about the effects in practice. World market prices for many agricultural commodities are likely to be a little less variable and depressed as a result of the reforms than they have in the past. The EU system of decoupled payments appears less likely to stimulate production than the current US arrangements, which have allowed for changes in base areas and yields.
26. Council was informed that while Australia recognised that the package was a first step to reform, more is needed.

RESOLUTION

27. Council **NOTED** that there are significant potential implications for Australian export interests as well as domestic quarantine arrangements stemming from developments in a number of key trade policy areas.

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	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.3

BIOSECURITY AND CRITICAL INFRASTRUCTURE PROTECTION

1. Council was informed about developments to date relating to counter terrorism and food supply protection and identified actions that need to be taken to ensure maximum coordination of national defences.

Critical Infrastructure Protection

2. Immediately following 11 September 2001, Australian counter-terrorist agencies began the task of identifying nationally critical infrastructure to improve protective security arrangements. Measures included the formation of a Business–Government Task Force on Critical Infrastructure. The task was undertaken in partnership with agencies in the jurisdictions with primary responsibility for counter-terrorism.
3. The Business–Government Task Force meeting in March 2002 brought together high-level representatives from business, State and Territory governments and Australian Government agencies, to discuss the national security aspects of Australia’s critical infrastructure. The Task Force recommendations included the establishment of a trusted information sharing network (TISN) and advisory council (CIAC).
4. On 6 December 2002, COAG agreed to the development of guidelines for the protection of critical infrastructure including establishing criteria to identify critical infrastructure and to outline security measures. COAG stressed the need for a cooperative approach between governments and industry. The objective is to ensure systems and procedures are in place to protect critical infrastructure from *all* threats, including terrorism.
5. A Critical Infrastructure Summit was held in April 2003 to officially launch the TISN arrangements reflecting the shift from reactive and tactical to proactive, strategic activities.
6. Critical infrastructure has been defined as “that infrastructure which, if destroyed, degraded or rendered unavailable for an extended period, will significantly impact on social or economic well being or affect national security or defence”. State and Territory governments have responsibility to identify critical infrastructure within their respective jurisdictions and to keep this information current. A national strategy for critical infrastructure protection is expected to be considered by COAG in the near future.

7. The food supply has been recognised as critical infrastructure. Other sectors identified separately with direct implications for the food supply chain include energy, utilities (water etc), transport, communications and health.
8. As part of the Critical Infrastructure Protection initiative, a high-level industry/government working group for the food chain has been established. The Food Chain Assurance Advisory Group is chaired by industry and will assess and act upon the security requirements of the food chain. This Group will participate in the TISN to facilitate the collection and sharing of information on exposures and options for strengthening defences as well as intelligence on substantive threats (terrorist or otherwise).

Counter Terrorism

9. Since 11 September 2001, the USA has been undertaking thorough reviews of its vulnerability to attack by terrorists. As part of this process it has sought to strengthen its protection against the deliberate introduction of pests, diseases and contaminants. As a result new homeland security legislation has been enacted to strengthen biosecurity in the agricultural and food processing sectors. These new rules are being imposed not only on US producers but also on suppliers in other countries, such as Australia. The Australian Government Department of Agriculture Fisheries and Forestry is coordinating national activities in response to these changes.
10. A new National Counter Terrorism Plan has been agreed by COAG. It recognises the primary role State and Territory governments have in the protection of life and property within their borders and is structured around Prevention, Preparedness, Response and Recovery. It is anticipated that all jurisdictions will undertake the activities necessary to prevent and prepare for potential terrorist acts, including protection of the food chain.
11. A central theme in protection of the food chain is the adoption of adequate biosecurity arrangements in enterprises throughout the production and processing system. Significant work is being progressed through Animal Health Australia and Plant Health Australia to upgrade on-farm biosecurity planning and practice. The food-processing sector has well developed HACCP-based production control systems.
12. The connection between the primary counter terrorist groups (police and emergency services) in each jurisdiction and the agricultural and food safety agencies is critical for ensuring adequate preventative and preparedness arrangements are in place. To ensure that this interaction is well established, the Australian Department of Agriculture, Fisheries and Forestry will host a national workshop on protecting the food chain from terrorism. It is intended that this workshop will involve representatives from all jurisdictions from the police, security and intelligence, agriculture and food safety agencies.
13. PIMC-related agencies have primary responsibility for the component of the food chain relating to production of raw food materials. The protection of the complete food chain requires a multi agency and multi jurisdictional approach, incorporating agriculture, food safety and security agencies. To ensure adequate protection of the food chain, all

jurisdictions will need to put in place appropriate networks that link all responsible agencies that, in turn, can be connected to the national arrangements.

RESOLUTIONS

14. Council:

- (a) **NOTED** actions taken and underway on issues relating to counter terrorism generally and specifically in relation to the protection of food supply chain critical infrastructure; and
- (b) **AGREED** on the need to work collaboratively, both within and across jurisdictions, in facilitating the roll-out of security measures to protect agriculture, forestry and fisheries industries and in improving the security of Australia's food supply.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.4

FMD – SIMULATION EXERCISE (MINOTAUR) REPORT TO COAG

1. At the request of the Council of Australian Governments (COAG), a major simulation, Exercise Minotaur, was held in September 2002 to test aspects of Australia's preparedness for an outbreak of foot and mouth disease (FMD). The report on the Exercise is being sent to COAG senior officials and then to COAG for consideration.
2. A draft report on Exercise Minotaur was forwarded to State/Territory Premiers and agriculture agencies in April 2003 for comment. The view of most recipients was that the draft report and its recommendations were an accurate reflection of the Exercise and the major lessons to be learned. Comments received have been taken into account, where possible, in preparation of the final draft report.
3. Formal agreement to the final draft report has been sought from COAG senior officials out-of-session. Once that has been obtained it is proposed that COAG's agreement will be sought out-of-session to adopt the recommendations of the report, implement the national action plan and to publicly release the report.
4. Many of the recommendations are already being acted upon by individual agencies and through previous PISC/PIMC resolutions. It was proposed that progress on issues identified in the national action plan will be regularly monitored and will be included in future PISC/PIMC agendas as required.

RESOLUTION

5. Council **NOTED** the current state of play with the report on Exercise Minotaur.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.5

BSE – REPORT ON INTERNATIONAL DEVELOPMENTS

1. Several recent international developments and changed requirements relating to BSE mean that complexity and some uncertainty continue to attach to the process of ensuring Australia's animal health and trade policy settings for this disease remain current and appropriate to national needs.

Assessments of Australia's BSE country status

2. Several Countries and the Office International des Epizooties (OIE) continue to make their assessments of Australia's current BSE status. Failure to obtain recognition as a BSE-free country would likely result in additional conditions and restrictions being applied by trading partners to Australia's cattle/beef/beef product exports.

BSE case in Canada

3. On 21 May 2003 the Canadian Minister for Agriculture announced that a diagnosis of BSE in a six to eight year old cow from a herd in Alberta had been confirmed. An intensive investigation led by the Canadian Food Inspection Agency (CFIA) then ensued with the objective of determining the origins of the BSE case and the extent of BSE infectivity in birth and feed cohort groups (the highest risk groups where further BSE cases might be present). Planning has commenced to progress the SAFEMEAT recommendation that AUSVETPLAN be reassessed and amended where appropriate in light of the Canadian experience.
4. The details and findings of the CFIA investigation were subject to an international peer review process, which endorsed the thoroughness of the investigation and the veracity of its findings. The recommendations for strengthening of Canadian BSE control measures include: increased targeted surveillance; removal of specified risk materials (SRMs); improvements to livestock traceability; tightening of Canada's ruminant feed ban (especially for mixed species farms); enhancements to animal health infrastructure; national oversight/enforcement of BSE measures; and improved education programs (including consumer awareness).

Australia's response to the Canadian BSE case

5. Australian agencies initiated a number of responses upon receiving advice of a confirmed BSE case in Canada. These actions included:

- instituted a quarantine prohibition on the import of live cattle and ‘risk’ cattle products of Canadian origin;
 - reviewed Import Permits issued under the Quarantine Act for all classes of goods potentially containing ‘risk’ cattle products from Canada;
 - traced and ordered into ‘lifetime quarantine’ some 16 living cattle which had been imported from Canada during the previous seven years, and established that a further five imported animals in this category had been slaughtered in Australia, but did not display evidence of a progressive, neurological disease;
 - checked records of approx. 300 live cattle imported from the US since 1996 to establish that the cattle were not of Canadian origin;
 - established a Department of Agriculture, Fisheries and Forestry (DAFF) Task Group under AFFAEMPLAN to monitor animal health, market access and related developments and to co-ordinate responses;
 - undertook risk assessments of therapeutics/biologicals for animal use which incorporate Canadian bovine material (Australian Pesticides and Veterinary Medicines Authority – APVMA);
 - undertook risk assessments of therapeutics/biologicals for human use which incorporate Canadian bovine material (Therapeutics Goods Administration – TGA); and
 - instituted a prohibition on the import of Canadian origin beef/beef products for human consumption (FSANZ).
6. From an animal health and meat safety perspective, both Animal Health Committee (AHC) and SAFEMEAT have also been closely monitoring developments and responding as appropriate to their membership’s areas of responsibility.

Other countries’ responses to the Canadian BSE case

7. Like Australia, many other countries imposed restrictions, which had an impact on Canada’s exports of cattle or ‘risk’ bovine materials. Some countries also restricted certain non-bovine materials. The US response to the Canadian BSE case was to immediately close its borders to imports of cattle and sheep and ‘risk’ materials of Canadian origin. As a consequence of these actions, Canadian beef was excluded from its major export markets and the domestic price of cattle had approximately halved (fallen to 0.42 cents/pound live weight from \$1.05).

Trade and commercial impacts on Australian exports

8. Canada has announced an indefinite, temporary suspension on the issue of most categories of Supplementary Permits. Australia’s placement of beef in the Canadian market in 2003 is expected to be significantly below its 2002 performance levels. The North American office of Meat and Livestock Australia (MLA) is reporting no adverse trends in consumer demand for beef in either the Canadian and US markets.

International standards development

9. The May, 2003 OIE Commission meeting agreed not only to fundamentally review the current Code Chapter for BSE, but also to a number of amendments to the BSE Chapter. The process of review of this Code Chapter will involve a Working Group

(with Australian representation), and offers some prospects for simplified requirements for BSE risk assessment and country classification.

10. One of the key changes adopted at the May, 2003 OIE Session was an amendment to the surveillance requirements of the BSE Code Chapter, which have been implemented by Australia. It is now necessary for an OIE compliant surveillance program to incorporate testing of 'downer' categories of animals in addition to animals that fit a case definition.

Domestic standards and policies

11. The Special Expert Committee on TSEs (SECTSE) provides independent scientific advice to government on prion disease related standards and policy approaches for protecting human and animal health. Its 31 July meeting included specific consideration of Australia's responses to the confirmation of a TSE case in Canada and other key domestic TSE-related policies. SECTSE noted responses taken to date and decided to keep the matter under review in the light of further developments, while requesting additional information on Australia's BSE surveillance policies
12. SAFEMEAT has considered the implications of the red meat industries of the recent Canadian BSE case. Specific recommendations to improve Australia's preparedness to respond to a BSE case and to assist in retaining favourable terms of market access were agreed for both short and medium term implementation and these are reflected in the recommendations to PIMC.

Suspect vCJD case in New Zealand

13. Following speculation about a possible major animal health problem that occasioned a run on the New Zealand currency, health authorities announced that they were investigating a possible variant Creutzfeldt-Jakob disease (vCJD) case in a 26-year-old Waikato man. Subsequently, NZ authorities were able to report on 15 August that vCJD had been effectively excluded as the cause of the man's illness.

Market access

14. While Australia continues to enjoy access to its export markets for cattle/beef/products under conditions applicable to a BSE-free country, this situation could change at short notice as a result of a party deriving an unfavourable assessment of Australia's current BSE risk. It is also possible that changes to overseas domestic requirements for BSE prevention could be translated to apply in part or in full, to Australia's exports to their markets.

BSE surveillance

15. In order to prepare for the eventuality of an increased BSE surveillance requirement, R&D efforts should be directed at: developing sampling strategies and techniques for different animal population groups, developing the rapid testing national capacity for TSEs (including training of laboratory personnel) to a stage where this could be quickly increased, and to developing Standard Operating Procedures for all stages of the surveillance process. These needs were endorsed by SAFEMEAT and are currently

under evaluation.

Traceability

16. The Canadian experience has served to highlight the value of a nationally comprehensive, whole-of-life, individual animal identification system for tracing at-risk animals during a field investigation into BSE. The Australian NLIS system offers these design characteristics and its early national implementation would enhance Australia's preparedness for responding to a BSE case. Effective product tracing and recall systems are also important for BSE emergency response preparedness and should cover both edible and inedible bovine products.

TSE-related animal feeding restrictions

17. Investigations into the cause of the Canadian BSE case highlighted the role of contamination of animal feed, probably at very low levels and at a time prior to introduction of a ban on feeding MBM to ruminants. Particular risks were also identified with feeding practices on mixed species farms in Canada, whereby cattle could gain access to pig or poultry feed containing MBM. These aspects may receive further attention overseas, and translate into new market access conditions in the future.
18. These concerns suggest that more detailed consideration be given to these aspects in the national context. In this regard SAFEMEAT has recommended that State/Territories and AQIS respectively, audit and report to PISC (through AHC) the effectiveness of current ruminant feeding restrictions and imported animal feed/feed ingredient controls, using the nationally agreed 'Guidelines for Compliance with the Ruminant Feed Ban' as a benchmark, and to accelerate research and development on feedstuff test kits.

Controls on imported cattle

19. In the past, the Australian response to managing BSE risk in cattle imported from countries which subsequently report a native-born case of this disease has been to place these animal into 'lifetime quarantine' in order to prevent potential contamination of the food or feed chains. All cattle imported into Australia within a 7 year period of the first case of BSE in the exporting country, and still living are currently in 'lifetime quarantine'.
20. As a contingency measure, it could be considered prudent to trace the approx 300 cattle imported from the U.S. since 1997, clinically examine these animals at their current farm/holding, permanently identify the animals with an NLIS device (unless already so identified), and to record relevant details on the NLIS database. Such an approach would facilitate a rapid response should the need arise to order these animals into 'lifetime quarantine' at a future time.

Progression of TSEFAP

21. The need for nationally uniform and rigorous standards and their enforcement in the areas of feeding controls and TSE surveillance has been previously endorsed by PISC/PIMC, including agreement to implement a TSE Freedom Assurance Program (TSEFAP) for this purpose. Recent overseas developments serve to re-enforce this

national need and the desirability of its speedy, and properly resourced implementation. The recent decision to develop a Business Plan for this purpose represents progress towards a possible 1 January 2004 implementation date.

RESOLUTIONS

22. Council:

- (a) **NOTED** that the recent Bovine Spongiform Encephalopathy (BSE) case in Canada and reports of a possible variant Creutzfeldt Jacob Disease (vCJD) case in New Zealand have raised serious economic, trade and social consequences, including in relation to maintenance of Australia's export market access and in terms of the adequacy of current policy settings to guard against the entry and establishment of BSE in Australia;
- (b) **NOTED** that consideration of these recent developments by SAFEMEAT and other concerned industry groups has resulted in the endorsement by these parties of specific recommendations, and **AGREED** to their progression (noting several are in train) – the recommendations (and current status[†]) being:
- (i) immediately update Question & Answers / background information on BSE (*);
 - (ii) prepare AAHL to test 1,000 samples per week and accredit at least one other laboratory to perform rapid tests for BSE (**);
 - (iii) amend AUSVETPLAN to reflect lessons from the Canadian experience (**);
 - (iv) industry to prepare contingency plans for Specific Risk Material removal (in the event of a future need for such removal) (-);
 - (v) testing of cattle trace-back capabilities for BSE investigation by a discrete simulation to test current State/Territory systems (**);
 - (vi) State/Territories and AQIS to, respectively, audit and report to PISC (through AHC) the effectiveness of current ruminant feeding restrictions and imported animal feed/feed ingredient controls, using the nationally agreed 'Guidelines for Compliance with the Ruminant Feed Ban' as a benchmark (-);
 - (vii) design of additional surveillance programs for 'downer' categories to support OIE requirements and for market assurance purposes (**);
 - (viii) co-operate with like-minded countries in securing fundamental revision of the international (OIE) standard for BSE, including criteria for country classification (**);
 - (ix) co-operate with Department of Health and Ageing (DoHA) and Food Standards Australia New Zealand to revise Australia's country classification system for BSE risk, taking into account relevant OIE developments (**); and
 - (x) accelerate research and development on feedstuff test kits (**);

+ Note: Current status key:

*(*) Responsible party(ies) have commenced work*

*(**) Responsible party(ies) have commenced planning/evaluation*

(-) Responsible party(ies) are yet to commence task.

- (c) **NOTED** that in response to the recent developments in Canada and New Zealand, the adequacy of existing Australian surveillance approaches for animal TSE's is being actively questioned by the Special Expert Committee on TSE's and by DoHA;
- (d) **AGREED** to additional surveillance of 'downer' categories of livestock being conducted over the next two to three years, as per approaches presently under consideration by SAFEMEAT;
- (e) **NOTED** that, consistent with approaches taken previously for cattle imported from countries (eg. UK, France, Netherlands) subsequently reporting BSE cases, a total of 16 living cattle imported during the past 7 years from Canada have been ordered into 'lifetime quarantine' and checking, via owner telephone interview of the non-Canadian origin of some 353 cattle imported from the US during this period has been completed;
- (f) **AGREED** that States/Territories should verify the current health status of imported US cattle, effect National Livestock Identification Scheme (NLIS) identification of these animals, and notify relevant details to the NLIS database;
- (g) **NOTED** that planning, including the development of a Business Plan, is being progressed for a national TSE Freedom Assurance Program with a view to its operation from 1 January 2004; and
- (h) **AGREED** to receive, out-of-session, a progress report on actions taken in response to the foregoing matters.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.6

LIVESTOCK IDENTIFICATION AND TRACING

1. PIMC 3 (10 April 2003) agreed to a risk-based approach to the development and implementation of a national livestock identification and tracing system. To ensure a nationally consistent approach, Council also agreed to establish an industry/government taskforce and requested it to report on the implementation details for cattle and sheep only.
2. The Livestock Identification and Tracing Implementation Taskforce has subsequently been established. A copy of its first report to Council is at [Annex A](#).
3. The need for early implementation of the national risk-based framework for livestock identification and tracing has been elevated following the Canadian announcement of its first case of BSE.
4. The Taskforce has adopted a pragmatic approach in developing the implementation strategy for the national risk-based system. The Taskforce is firmly of the view that the risk-based framework should be known as the National Livestock Identification System (NLIS) and that the re-defined NLIS should be all encompassing in terms of its species coverage (all livestock species) and tracing mechanisms (from individual animal identification through to herd-based and flock based mechanisms). Adoption of this terminology would help remove much of the uncertainty in the meat and livestock sector about the intent of Council's April 2003 resolution.
5. Council was informed that, in some cases, there seems to be a perception that all livestock would need to be individually identified using NLIS-approved devices. However, this is not the intention. The new NLIS is being based on the existing NLIS and the NFIS and whilst all cattle must be individually identified under the NLIS, this is not the case with the NFIS where, for example, lambs sold over the hooks from property of birth do not need to be tagged.
6. Under the new national system some flexibility will be provided in the case of cattle in terms of low risk movements such as from property of birth direct to slaughter or live export. This is being seen by some as an exemption to, or watering down of, the NLIS and, therefore, undermines the national system. However, whichever livestock identification approach/mechanism is adopted by jurisdictions, it must meet the overriding objective, which is to have a system that provides for whole-of-life traceability for all livestock in a rapid and accurate manner.

7. Two critical elements of the Taskforce's approach to achieving national consistency will be the performance standards (being developed by Animal Health Australia) and the communication strategy (being developed by Meat and Livestock Australia). The performance standards and the communication strategy will be brought forward to the April 2004 meeting of Council for consideration.
8. The Taskforce also examined issues relating to infrastructure and costs which are presently being handled at the State/Territory level and within industry sectors.
9. On the issue of consistency and compatibility in northern Australia, there is general agreement among the three relevant jurisdictions (Queensland, the Northern Territory and Western Australia) that cattle consigned from property of birth direct to abattoirs or live export (including via depots) will not require RFID devices but they will require some form of identification and supporting movement documentation. Negotiations are continuing between the three jurisdictions on the details of these requirements.
10. Consensus has also been reached on arrangements for the movement of cattle between these jurisdictions wherein all animals consigned across borders to other grazing properties, saleyards or feedlots will be required to comply with the importing State/Territory's identification requirements. Agreement on requirements for property-to-property movement of cattle within these jurisdictions has not yet been reached, with resolution of this issue dependent on the completion of the performance standards.
11. Council discussed the implications of this process for meeting target dates agreed at earlier Council meetings. There was a need to actively pursue resolution of NLIS in northern Australia but within a realistic timeframe for implementation.

RESOLUTIONS

12. Council:
 - (a) **AGREED** that the national, risk-based system for livestock identification and tracing be called the National Livestock Identification System (Cattle) and National Livestock Identification System (Sheep), as appropriate, and that this terminology be adopted in all jurisdictions;
 - (b) **AGREED** that the National Livestock Identification Scheme Management Group and the National Flock Identification Scheme Management Group be re-named the NLIS Management Group for Cattle and the NLIS Management Group for Sheep;
 - (c) **ENDORSED** the need for consistency of implementation of the livestock identification and tracing framework across Australia, particularly in relation to the various mechanisms for livestock identification and tracing currently operating within jurisdictions (including vendor declarations and waybills), the interstate movement of livestock and the collection and recording of data;

- (d) **NOTED** that while property of origin traceback systems are currently in place in northern Australia it is important that their performance is tested against the final design criteria. These issues are being actively addressed by the three relevant jurisdictions (Queensland, Northern Territory and Western Australia) to achieve consistency and compatibility;
- (e) **AGREED** that as a consequence of (d) the design of the national system for cattle in northern Australia will be finalised by 1 July 2004 and implemented by 1 July 2005;
- (f) **NOTED** that SAFEMEAT's National Vendor Declaration Working Group is progressing a national approach to the use of vendor declarations and waybills;
- (g) **NOTED** that the performance standards for the national livestock identification and tracing system, which will provide for auditable whole-of-life traceability of livestock, are being developed by Animal Health Australia and **AGREED** that these need to be finalised as a matter of urgency for consideration at the March 2004 Standing Committee and April 2004 Council meetings;
- (h) **NOTED** that costs associated with implementing the national livestock identification and tracing system for cattle and sheep are being addressed by the various State/Territory implementation working groups and **AGREED** with the Taskforce's assessment that a national tender for the supply of radio frequency identification devices (RFID) would not be desirable at this stage;
- (i) **NOTED** that a comprehensive communication strategy is being developed by Meat and Livestock Australia and **AGREED** that this strategy needs to be completed as a matter of urgency for consideration at the March 2004 Standing Committee and April 2004 Council meetings; and
- (j) **ACKNOWLEDGED** the roles and responsibilities of government and industry, as articulated by the Taskforce, in ensuring the effective and timely implementation of the national livestock identification and tracing system.

ANNEX A: Report of the PIMC Livestock Identification and Tracing Implementation Taskforce

REPORT OF THE LIVESTOCK IDENTIFICATION AND TRACING IMPLEMENTATION TASKFORCE

INTRODUCTION

A national approach to livestock identification and tracing is necessary to underpin the integrity of Australia's livestock production industries in terms of their capacity to manage food safety issues, to gain and/or maintain access to overseas markets and to assist in managing major animal disease outbreaks.

As requested by the Primary Industries Ministerial Council (PIMC), the Livestock Identification and Tracing Implementation Taskforce has commenced the development of the implementation details for a national, risk-based system for livestock identification and tracing. The major challenge confronting the Taskforce is the need to strike the right balance between providing for a national system that is flexible enough to accommodate the different risk-based approaches which will be used to identify and trace cattle and sheep movements within and between jurisdictions whilst, at the same time, ensuring there is sufficient compatibility of livestock tracing arrangements and consistency in their application across all jurisdictions, so as not to undermine the integrity of the national framework.

As a starting point, four guiding principles have been identified which, in the Taskforce's view, will be fundamental in giving effect to the PIMC decision. These are:

- the system must have auditable national performance-based standards for the traceback and traceforward of livestock;
- there must be consistent application of the livestock tracing mechanisms across all States/Territories to ensure that the approach in one does not compromise the efforts of other jurisdictions in implementing the framework within their respective jurisdiction;
- a jurisdiction must provide information that is compatible with the national database;
- the system must be flexible enough for jurisdictions to recognise and make provision for a staged implementation.

BACKGROUND

At its 10 April 2003 meeting, PIMC agreed to a risk-based approach to the development and implementation of a national identification and tracing system covering all livestock. Further, it was agreed that this approach is to be based on existing systems including the National Livestock Identification Scheme (NLIS) for cattle and the National Flock Identification Scheme (NFIS) for sheep. PIMC agreed to aim for implementation dates of 1 July 2004 for cattle and 1 July 2005 for sheep, subject to practical considerations in respective jurisdictions with consideration given to including other livestock, such as pigs and goats, at some later stage.

To ensure a nationally consistent approach, PIMC agreed to establish an industry/government taskforce and requested it to report back to its October 2003 meeting on the implementation details for cattle and sheep only.

The Taskforce has subsequently been established and is chaired by Peter Milne, Board member of both Animal Health Australia and Food Standards Australia New Zealand and immediate Past President of the Cattle Council of Australia. Other government and industry representatives are:

- Steve McCutcheon, Agriculture, Fisheries and Forestry – Australia (AFFA);
- Roger Smith, Northern Territory Department of Business, Industry and Resource Development;
- Ashley Mercy, Agriculture Western Australia;
- Peter Bailey, Victoria Department of Primary Industries;
- John Wyld, NLIS Management Group;
- Bill Whitehead, NFIS Management Group;
- Geoff Teys, SAFEMEAT;
- Ralph Hood, Animal Health Australia;
- Mick Prendergast, Meat and Livestock Australia Ltd.

DRIVERS FOR THE ADOPTION OF LIVESTOCK IDENTIFICATION AND TRACING ARRANGEMENTS

The agreement by PIMC to establish a national framework for livestock identification and tracing, is driven by a number of factors. At the domestic level, food safety and animal disease control needs are the main incentives for enhanced identification and tracing systems. Maintaining access to key overseas markets and staying ahead of our competitors are the main external influences.

To date, the primary drivers for the uptake of more sophisticated livestock identification and tracing arrangements have been commercial forces. These have been targeted primarily at the cattle industry and are the main reason why the voluntary uptake of the NLIS by cattle producers has been far greater than uptake of the NFIS by sheep producers.

While commercial forces have been important in driving uptake of enhanced livestock identification and tracing arrangements, there are signs that other drivers are likely to become increasingly influential. For example, there is a growing public expectation that governments have prime responsibility for ensuring minimum levels of food safety performance in the food industry. The public also increasingly expects governments to have a leadership role in coordinating major disease control programs and managing animal disease emergencies when they occur. This is increasing the pressure on governments to be more actively involved in facilitating enhancements to current livestock identification and tracing arrangements.

Of more significance, however, is the role of external forces. A number of recent developments overseas have heightened the need for Australia to move forward with the implementation of the PIMC risk-based framework for livestock identification and tracing. In the US, the Department of Homeland Security has recently supported the notion of nationwide identification of all commercial livestock. The Taskforce notes that, although this is not an official US Government position at this stage, it may well receive the support of President Bush who sees national security as a high priority. It is understood that the US has announced its intention to develop a National Identification Work Plan which, through established standards, is designed to maintain the health of livestock in the US.

In Japan, the recent decision by the Japanese Parliament to implement new beef traceback regulations is also worth noting. Although these regulations cover domestic beef only, there is

a push from opposition parties to include imported beef in the arrangements. Therefore, the inclusion of imported beef in the traceback regulations at some time in the future, remains a real possibility.

Finally, in the time since PIMC resolved to move forward with the national framework, Canada has announced its first case of Bovine Spongiform Encephalopathy (BSE). This has had a dramatic effect on the Canadian beef industry and Canadian press reports state that the price of cattle at auction has slipped to an average of 42 cents Canadian a pound from \$1.05 a pound before the announcement. In addition, bans on Canadian beef imposed by the US, and more than 20 other countries, are estimated to be costing between \$11 million to \$20 million Canadian each day in lost trade. Whilst a mandatory animal identification program is in place in Canada, the absence of such a program prior to 2001 was a significant factor affecting the scope of the Canadian investigation and the number of animals needing to be culled – some 2,700 animals have been culled. Canada has already signalled that it will be upgrading its cattle identification and tracing arrangements as one of the many changes that will be made in response to the BSE case.

CURRENT JURISDICTIONAL ARRANGEMENTS

A number of mechanisms for livestock identification and tracing currently operate in Australia. These include: the NLIS for cattle; the NFIS for sheep; vendor declarations for cattle, sheep and goats; branding; and waybills.

As a result of the PIMC decision, all States/Territories are in the process of reviewing arrangements to give it effect. In some cases, State governments have taken decisions on the approach to be adopted in their respective jurisdiction and are well advanced in establishing implementation plans. Details on the current arrangements and proposed implementation plans for each jurisdiction are provided at [Attachment A](#).

DEFINING THE NATIONAL SYSTEM

Following the PIMC decision to implement a national, risk-based system for livestock identification and tracing, some misunderstanding has arisen regarding how this would be applied.

In some cases, there is a perception that all livestock would need to be individually identified using NLIS-approved devices. However, this was not the intention of PIMC. As noted earlier, PIMC agreed that the system should be based on the NLIS and the NFIS. In the case of the NFIS, not all sheep are required to be individually identified. For instance, lambs sold over the hooks from property of birth do not need to be tagged and this will continue to be the case. The NLIS, on the other hand, *does* require all cattle to be individually identified.

Under the new national system some flexibility will be provided in the case of cattle in terms of low risk movements such as from property of birth direct to slaughter or live export. This is being seen by some as an exemption to, or watering down of, the NLIS and, therefore, undermines the national system. However, whichever livestock identification approach/mechanism is adopted by jurisdictions, it must meet the overriding objective which is to have a system that provides for whole-of-life traceability for all livestock in a rapid and accurate manner.

Given the need for industry leaders and governments to be clear and unambiguous in establishing and implementing the agreed policy framework, the Taskforce believes that the national system should be called the National Livestock Identification System (NLIS). This is a logical progression from the ARMCANZ decision that set up the NLIS for cattle only in 1996. The new NLIS would cover the full spectrum of approaches from individual animal identification and tracing through to broader herd-based and flock-based arrangements. The distinction between cattle and sheep would be made by referring to the system for each respective species as NLIS (Cattle) and NLIS (Sheep).

The decision to distinguish between cattle and sheep has been made on the basis that there are livestock identification and tracing issues which are cattle-specific or sheep-specific and this needs to be recognised. This concept could be extended to other species as rollout of the PIMC decision progresses.

Adoption of this proposal would have implications for the NLIS and NFIS Management Groups in terms of what they should be called. The Taskforce suggests that they be re-named the NLIS Management Group for Cattle and the NLIS Management Group for Sheep.

The Taskforce recognises that calling the identification and tracing system the National Livestock Identification System may cause confusion initially. However, the Taskforce considers that these concerns can be addressed through the implementation of a national communication strategy which sets out what the system entails and how it will be applied. The communication strategy will be critical in ensuring/maintaining industry support for the PIMC decision. Communication is one of the implementation issues which are discussed later in this paper.

NATIONAL CONSISTENCY

Although decisions regarding the kind of risk-based approach and timing of implementation are to be made at the State/Territory level, the Taskforce notes that in order to ensure the effective operation and integration of the system, national consistency will be required in a number of key areas.

Arguably the most important area will be between the various mechanisms for livestock identification and tracing currently operating across the country and which are recognised as legitimate means of ensuring whole-of-life tracability in a rapid and accurate manner. For instance, because the use of vendor declarations and waybills is widespread, and is underpinned by legislation in almost all jurisdictions, there would be merit in ensuring a nationally consistent and integrated approach to the use of these documents. In this regard, the Taskforce notes that the National Vendor Declaration Working Group, established by SAFEMEAT, is progressing work in this area.

National consistency will also be needed where livestock move interstate, particularly where they move from jurisdictions that have in place a herd/flock-based system to those which have individual animal identification systems. Related to this will be the need to ensure that the procedures for applying devices to animals are the same in all jurisdictions.

Consistency of approach will also be important in respect of collecting data on the movement of animals and recording this information on the national database. This will be particularly

critical in respect of managing the database interface between individual animal identification arrangements and herd/flock based arrangements.

Finally, all jurisdictions need to be conveying a consistent message to their industry constituents on what the PIMC framework entails and how it is being implemented.

IMPLEMENTATION ISSUES

The Taskforce considers that it is essential to get agreement by all jurisdictions and industries involved on the standards and outcomes required and on the timelines for implementation. Specifically, the following implementation issues will need to be addressed to give full effect to the PIMC decision.

Performance Standards

Part of the decision made by Ministers at the April 2003 PIMC meeting was for Animal Health Australia (AHA), in consultation with SAFEMEAT, to develop auditable, outcome-based performance standards for the whole-of-life traceability of livestock from birth, through all properties of residence during their life, to point of slaughter, live export or other demise.

The standards will apply equally to all relevant livestock species and in all jurisdictions within Australia. They will also address the risk-based approach by ensuring that, where an alternative mechanism has been approved based on the risk profile of a particular group of animals, the required outcome is not compromised.

The performance standards are designed to ensure the delivery of consistent and efficient outcomes from a national perspective, especially in relation to emergency animal disease response but also to aid animal disease control, surveillance and information management.

In developing the standards, there is a need to ensure that they reflect international best practice. Investigations into performance standards for traceability in other countries indicates that none are currently in place, although, as noted earlier, the US is in the process of developing standards as part of its National Identification Work Plan.

AHA has commenced developing the performance standards and it is proposed that, once drafted, the standards be considered by PISC's Animal Health Committee and SAFEMEAT before submission to the March 2004 PISC and April 2004 PIMC meetings.

Infrastructure

The Taskforce has considered infrastructure issues at both the national level (the national database) and State/Territory level (the additional infrastructure requirements of saleyards, agents, abattoirs and livestock producers). In doing so, the Taskforce notes that there will be significant infrastructure costs associated with the implementation of the PIMC decision but that this issue is being addressed by the various State/Territory implementation working groups.

National Database

The NLIS database commenced with the European Union arrangements in 1999 and is currently operated/administered by Meat and Livestock Australia (MLA). It is proposed that this database continue to be used for the livestock identification and tracing system. This will require the database to be upgraded/enhanced and, earlier this year, MLA engaged a consultant

(Deloitte Touche Tomatsu) to advise it of improvements which will be needed and the estimated cost of those improvements. These are provided at Attachment B.

To ensure the effective operation of the database, it is incumbent upon jurisdictions to make sure that the information provided is compatible with the requirements of the national database.

Saleyards, Agents and Abattoirs

The infrastructure requirements, in this case, will include NLIS readers and associated computer software as well as the capacity to access the national database and possible structural changes to saleyards and abattoirs to enable readers to be installed in locations that maximise the throughput of livestock.

Producers

The main infrastructure costs to livestock producers will be the purchase of NLIS approved devices, where required, and readers if they wish to utilise this technology on-farm.

In relation to devices, the Taskforce considered the possibility of developing a national tender for the supply of radio frequency identification (RFID) devices, as proposed by the Cattle Council of Australia. However, this was rejected on the basis that the potential benefits are likely to be outweighed by the lack of competition that such a tender would create in what, at this stage, is a relatively immature and, therefore, small market. It was considered that it is preferable, for the time being at least, to maintain an environment that does not exclude new entrants to the market.

Another factor which the Taskforce felt weighed against the desirability of a national tender were the unresolved issues surrounding rumen boluses, in particular, the concerns raised by processors regarding the difficulty in retrieving them. It is important that boluses can be safely retained as endorsed devices so as to provide tamper-proof mechanisms to permanently identify livestock. A successful resolution of this issue will be important to ensure that the market for RFID devices remains competitive and, to this end, MLA is currently undertaking research to secure efficient means of bolus recovery and recycling in meatworks.

Finally, there were several logistical issues raised in regard to running a national tender. These included responsibility for organising the tender, ensuring agreed minimum quantities are purchased and for related matters such as bad debts and settling disputes.

Notwithstanding this view, the Taskforce recognises the need to minimise the infrastructure costs to producers. To this end, it was noted that individual jurisdictions, particularly the smaller ones, may wish to collaborate with larger jurisdictions in the purchase of devices. It was noted that this was an issue which would best be progressed at the jurisdictional level through the respective implementation working groups.

Funding

In endorsing the development and implementation of a national livestock identification and tracing system, PIMC agreed that cost sharing arrangements, involving all tiers of industry and government, be included as part of the process. The Taskforce notes that, in the case of cattle, this is happening in many jurisdictions as they seek to implement the PIMC decision. However, the Taskforce notes that, in the case of sheep (the NFIS), there has been very little, if any, government expenditure provided due mainly to its voluntary nature. In light of the PIMC decision to implement a framework for identification and tracing which covers all livestock

species, governments will need to give consideration to the provision of funding to assist industry implementation in the sheep industry.

Communication

As noted earlier, the Taskforce believes it will be critical to effectively communicate, to all sectors of the livestock industry, what the livestock identification and tracing system entails and how it will be applied.

Accordingly, the Taskforce proposes that a comprehensive communication strategy, including mechanisms and pathways, be developed as a matter of priority. In this regard, the Taskforce notes that MLA is in the process of developing a communication strategy as part of its broader strategy to accelerate the rollout of the NLIS for cattle. Accordingly, the Taskforce proposes that this be used as a building block for the development of a comprehensive national communication strategy for all livestock species, with an initial focus on cattle and sheep.

ROLES AND RESPONSIBILITIES

Effective and timely implementation of the PIMC framework will rely heavily on all participants having a clear understanding of their respective roles and responsibilities. To assist in achieving this objective, the Taskforce has made a preliminary attempt to articulate these for government and each of the industry sectors.

Government

The main responsibility of government will be to provide the legislative framework that protects the integrity of the national system and to ensure the provision of sufficient resources to administer and enforce this legislation.

However, there is a range of other things which government could do to facilitate the transition to a national livestock identification and tracing system. These include

- development of a jurisdiction-specific communication strategy which, amongst other things, ensures that industry participants are aware of their responsibilities and which dovetails with the national communication strategy discussed above
- contribute to industry funding in areas such as the purchase of NLIS devices and the purchase/installation of device readers and/or computer hardware and software
- provision of extension services to livestock producers
- operation and maintenance of a property register.

Industry Sectors

Producers have a significant role in ensuring their livestock are appropriately identified before they leave their property.

Agents, saleyards and abattoirs will have important roles to play in the livestock identification and tracing system. Saleyards and abattoirs will need to install infrastructure such as device readers for electronic devices and, potentially, upgrade their software.

Saleyard operators will be responsible for ensuring that cattle are scanned and transactions promptly registered on the NLIS database. Agents will be expected to collect property identification code (PIC) information in relation to vendors and purchasers to facilitate the registration of transactions by saleyard operators. In many saleyards, agents will also need to assist with the scanning of cattle.

The NLIS database currently has approximately 20 residue, disease and market access statuses in place and operational. These statuses are being used increasingly to address issues such as imported cattle from BSE countries, organochlorine contaminated cattle and, in the future, lost and stolen cattle. The whole-of-life status will soon be available and may become a commercial requirement for some markets.

Commercial factors are likely to drive the presale scanning at saleyards of prime and cull cattle as more NLIS identified cattle are assigned disease, residue and other relevant statuses on the NLIS database. Processors are likely to insist that such information be routinely recorded in presale catalogues.

Processors will be responsible for scanning NLIS identified cattle at slaughter, ensuring that cattle are tested and inspected, as required as part of the Extended Residue Program (ERP), and for promptly uploading details in relation to slaughtered cattle to the NLIS database.

In Victoria, processors have agreed to upload to the NLIS database, as a minimum, either Hot Standard Carcass Weight or weight at slaughter on all NLIS identified cattle. This information is then available from the database via the Internet to both the consignor and the producer who attached the NLIS device. In other jurisdictions, negotiations in relation to carcass feedback are on-going.

National Livestock Identification Scheme (NFIS) and National Flock Identification Scheme (NFIS) Management Groups

The decision by PIMC that the national system for livestock identification and tracing should be based on the existing NLIS and NFIS means it will be crucial for work currently being undertaken by the NLIS and NFIS Management Groups to continue. In doing so, their role in relation to other bodies such as the various State/Territory implementation working groups, will need to be made clear and, as noted earlier, the names of the NLIS and NFIS Management Groups may need to be changed.

In terms of their roles/responsibilities, whilst the State/Territory working groups may need to consider livestock identification and tracing mechanisms other than NLIS/NFIS, the NLIS and NFIS Management Groups will need to focus their activities on the operational policy and implementation aspects of their respective systems. These include

- business rules for participation in the NLIS/NFIS
- technology, for example, devices and readers
- technical standards and guidelines
- consideration of new devices for endorsement
- communication and education
- promotion and marketing
- database performance.

Livestock Identification and Tracing Implementation Taskforce (LITIT)

PIMC agreed to establish LITIT to ensure a nationally consistent approach to, and to co-ordinate the development of, the implementation details of a national livestock identification and tracing system for cattle and sheep. Whilst the Taskforce has met its obligations in terms of reporting to PIMC on the details of how the national system will be implemented, the Taskforce still has some work to do.

This is mainly in relation to finalising the communication strategy, providing a conduit for ensuring the roll-out of the State/Territory arrangements meets the PIMC decision and to provide a forum for resolving any impediments that may occur.

In doing so, the Taskforce will need to work co-operatively with State/Territory Governments and industry to ensure that national livestock identification and tracing arrangements are implemented in accordance with the PIMC decision and that individual jurisdictions, in developing their specific implementation strategies, do not compromise the efforts of other jurisdictions.

RECOMMENDATIONS

The Livestock Identification and Tracing Implementation Taskforce

1. Recommends that the national, risk-based system for livestock identification and tracing be called the National Livestock Identification System (Cattle) and National Livestock Identification System (Sheep), as appropriate and that this terminology be adopted in all jurisdictions.
2. Recommends that the National Livestock Identification Scheme Management Group and the National Flock Identification Scheme Management Group be re-named the NLIS Management Group (Cattle) and the NLIS Management Group (Sheep).
3. Notes the need for national consistency, particularly in relation to the various mechanisms for livestock identification and tracing currently operating within jurisdictions (including vendor declarations and waybills), the interstate movement of livestock and the collection and recording of data.
4. Notes the work of SAFEMEAT's National Vendor Declaration Working Group in progressing a national approach to the use of vendor declarations and waybills.
5. Recommends that the performance standards being developed by Animal Health Australia be considered by PISC's Animal Health Committee and SAFEMEAT before submission to the March 2004 PISC and April 2004 PIMC meetings.
6. Notes the estimated cost to the various sectors of implementing the National Livestock Identification and Tracing System for cattle and sheep and that this issue is being addressed by the various State/Territory implementation working groups.
7. Agrees that a national tender for the supply of radio frequency identification devices (RFID) would not be cost effective at this stage and that it is up to individual jurisdictions to decide whether to collaborate on the purchase of devices.
8. Recommends that a national communication strategy be developed which sets out what the new National Livestock Identification System entails and how it will be applied.
9. Recommends that the communication strategy being developed by Meat and Livestock Australia, as part of their broader strategy to accelerate the rollout of the NLIS for cattle, be used as a basis for the national communication strategy which will be brought forward to the March 2004 PISC and April 2004 PIMC meetings for endorsement.
10. Notes the roles and responsibilities of government and industry in ensuring the effective and timely implementation of the national livestock identification and tracing system.

CURRENT JURISDICTIONAL LIVESTOCK IDENTIFICATION AND TRACING ARRANGEMENTS

Victoria

Victoria is already moving to fully implement the NLIS. Its NLIS Implementation Advisory Committee, which includes representatives of government and all major Victorian cattle industry organisations, has recommended the following implementation timetable

- Tagging of cattle born after 1 January 2002 before they leave their property of birth.
- Reading of NLIS tags in abattoirs from 2003.
- Tagging of all store cattle and cattle moving between Victorian properties from 1 January 2003. Untagged cattle must be identified with an orange Post Breeder Tag within 30 days of their arrival on a Victorian property, including cattle sourced from interstate.
- Mandatory recording of all cattle movements on the NLIS database from 1 January 2005.

In April 2003, as a result of rapid progress in saleyards upgrading to the NLIS infrastructure, the Advisory Committee unanimously resolved to recommend that legislation requiring Victorian saleyards to scan NLIS identified store cattle, be introduced on 1 January 2004.

The Sheep Identification Advisory Committee has been formed to develop recommendations on how sheep identification arrangements should be enhanced to address the Victorian sheep industry's current and anticipated future biosecurity and product integrity needs.

Tasmania

Adoption of NLIS and NFIS is currently market driven with about 20-30 per cent of all cattle covered by the NLIS – this is because they supply the EU market or Tasmania feedlot.

No decisions have yet been made in terms of the likely identification mechanism which will be used or the proposed timing for implementation, apart from aiming for 1 July 2004 specified in the PIMC decision. Details such as this will be considered by the Tasmanian Meat Residue Advisory Committee/Tasmanian NLIS Advisory Committee. This Committee includes representatives of government, producers (through the Tasmanian Farmers' and Graziers' Association), abattoirs, feedlots, agents (which also cover saleyards) and the police (Stock Theft Squad).

The Tasmanian Government has announced funding of \$1 million over three years for infrastructure and software capabilities at saleyards, abattoirs and within the State Department. With the help of Meat and Livestock Australia, one saleyard will be upgraded, immediately, to enable full NLIS operation and will be used as a demonstration site.

Western Australia

WA formed an NLIS Implementation Working Group in April 2002. The group is broad-based, covering all sections of the cattle industry including producer organisations, abattoir operators, agents, live exporters, saleyard operators and inspection authorities. This group has met six times and has adopted, in-principle, an implementation plan.

The plan proposes that implementation commence on 1 January 2004 with a requirement that cattle born after that date must be identified with an NLIS device when moved or sold, unless

they are moving directly to an abattoir or to live export. In the latter case, cattle must carry a transaction tag (either ear or tail) and where they are to enter a live export depot, they must have a transaction eartag.

Full implementation is proposed to commence on 1 July 2005, when cattle born before 1 January 2004, must also be NLIS identified before movement from their property of birth unless, as noted above, they are moving directly to an abattoir or to live export.

Transaction recording of all NLIS identified animals will commence from 1 January 2004. This will require that all saleyards, export depots and abattoirs will have equipment in place to read NLIS tags and notify the database of the transactions.

In the case of NFIS, WA has formed an NFIS Implementation Working Group consisting of a broad range of industry representatives. The Group has met three times and is in the process of developing an implementation plan. NFIS is a refinement of the WA mandatory sheep identification system. Agreement in principle has been reached on the mandatory use of year colour tags on the property of birth and pink tags on subsequent properties. The tag will carry the owner's three character brand that is related to the property PIC in our brand register. Current sheep identification legislation will prevent the full implementation of NFIS until the current act is amended or replaced. Partial implementation may commence next year and full implementation probably not until July 2005.

Queensland

Queensland currently has in place compulsory waybills, transaction tagging and fire branding of sale cattle as the primary elements of the cattle tracing system. Also in place is the legislative framework to support the NLIS, as well as voluntary arrangements for implementation of the NLIS. To support all of these systems, the Department of Primary Industries (DPI) has invested significant resources into developing state of the art livestock identification information technology, including integration with geographic information systems.

Whilst regular meetings have been held with industry to progress issues, there has been some resistance from industry for anything other than market driven mechanisms. Accordingly, no decisions have yet been made in terms of the likely timetable for implementation of compulsory whole-of-life identification. However, DPI will continue to explore ways of progressing issues in a staged fashion, with the long term aim of having compulsory, whole-of-life individual identification of cattle in place.

Northern Territory

Consultation with industry involves the Northern Territory Cattlemen's Association (NTCA), the Northern Territory Live Exporters Association (NTLEA) and the Buffalo Industry Council (BIC). Consultation on the development of an implementation plan is occurring at the NTCA Executive level and also at the Branch level.

The final implementation plan will have the endorsement of the NT Government and the NTCA and should be available by the end of July 2003. It is likely that a risk-based framework will provide a practical basis for the establishment of a credible traceforward and traceback system and will involve components of herd-based and individual animal identification mechanisms, appropriate for the Northern Territory cattle production system.

The Northern Territory is well positioned to meet acceptable performance standards for tracing cattle due to existing mandatory requirements for waybills, cattle branding and property identification code registration. A recent upgrading of the waybill database has further improved the cattle tracing capability. Individual animal tracing arrangements will address saleyards selling, property to property movements, abattoir movements, interstate movements and movement to live exports.

A separate plan for buffalo identification is being developed by a working group from the buffalo industry.

South Australia

Seed funding of \$8.82 million for the rapid uptake of NLIS and NFIS over a three year period has been proposed by the South Australian Government. This funding provides for the purchase of NLIS and NFIS identification devices and an extension program for producers and some infrastructure for sheep identification. This is in addition to \$300,000 to fund NLIS infrastructure in saleyards and abattoirs.

The Government will be negotiating with industry in relation to its cost recovery. An indicative funding balance of 25 per cent government funded and 75 per cent industry has been suggested.

SA has formed an NLIS Implementation Working Group. The Working Group covers all sections of the cattle industry including producer organisations, abattoir operators, agents, saleyard operators and government. This Group has met once and has adopted, in-principle, that NLIS be implemented. The anticipated implementation date is 1 July 2004. An implementation plan will be developed by this group.

Infrastructure is currently being installed in the larger domestic abattoirs for the reading of devices and the transfer of data to Meat and Livestock Australia. In the upcoming year, infrastructure funding will be directed towards the six major saleyards in South Australia.

A legislative framework is in place for NLIS on a voluntary basis. Further amendments to regulations will be required for the introduction of NLIS on a compulsory basis. South Australia is currently registering sheep, alpaca and goat properties on a voluntary basis but is in the process of introducing legislation to ensure the registration of properties where alpaca, buffalo, cattle, deer, goats, pigs or sheep are run.

An implementation working group for NFIS will be set up in the near future.

NSW

Last September the NSW Government committed \$5.4 million for implementing NLIS in the State. It is planned that these funds will be used for education and training, demonstration sites and the provision of infrastructure – readers, compatible software at transaction points such as abattoirs, saleyards and feedlots. MLA and NSW Agriculture have jointly appointed a technical support officer –Jo Quigley - to assist individual operations with implementation of the NLIS technology.

An advisory committee has been formed to devise an implementation plan for NLIS in the State and liaise with government on the issue. It is made up of each of the industry sectors affected by the implementation of NLIS. The committee has a general consensus of support for the program

but recognises that there is a fair degree of legislative change that needs to occur and costs associated with getting the system up and running.

Committee met for the second time on 29 May. The key outcomes were

- First meeting for chair Grant Edmonds.
- Committee decided that NSW cattle industry would begin to phase in mandatory use of NLIS from 1 July 2004.
- Committee decided that NSW cattle industry would adopt the full NLIS system with all cattle being identified after a phase-in period was completed, that is, NSW would not adopt a mob based ID system as is being discussed by QLD & NT.
- Full timetable yet to be developed.

A business plan and budget for allocation of funds is to be finalised by a sub-committee before next meeting (8 July 2003).

NSW Farmers have announced a dairy industry support program to subsidise the cost of ear tags (preferred) for dairy cattle only.

Legislative changes for livestock identification have been drafted for release in September 2003.

EXPECTED COSTS OF IMPLEMENTING A LIVESTOCK IDENTIFICATION AND TRACING SYSTEM**Database**

An independent assessment of MLA's NLIS business area was conducted to establish the systems preparedness to meet the requirements of a mandatory system with the following assumption

- 1,200 active accounts grow to 10,000
- 25-75 million head on database
- 140,000 cattle properties (currently 29,000).

The review recommended a range of actions to ensure the database can meet expected future requirements and estimated that these would cost about \$690,000.

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RESOLUTION	No: 4.7

LIVE EXPORT TRADE TO THE MIDDLE EAST - UPDATE

1. Council was updated on developments in the livestock export trade, including the current situation with respect to the *Cormo Express* Shipment.

Background

2. Following the series of incidents resulting in unacceptable sheep and cattle mortalities during June – September 2002 aboard the *MV Becrux* and on other live export vessels, the Independent Reference Group (IRG) on animal welfare was reconvened to advise of possible solutions to the problems with the trade.
3. The IRG made specific recommendations on future initiatives to improve animal welfare outcomes for the livestock export trade including:
 - (a) development of an action plan for the trade; and
 - (b) implementation of risk assessment for the trade and individual voyages.
4. A joint industry/government working group developed an Action Plan for the Livestock Exports Industry (APLEI). The APLEI incorporates the recommendations and findings of the IRG's report.
5. AQIS has established the Livestock Exports Industry Consultative Committee (LEICC), as recommended by the IRG report on the live animal export trade, to oversee APLEI. The Committee was convened in December 2002 and has met on six occasions to ensure that the APLEI is being addressed in a timely fashion. In particular the focus has been on ensuring that winter trade to the Middle East can be managed safely.
6. Further, under the Action Plan, working groups comprising government and industry representatives have been established to review the legislative framework under which the live trade is conducted and review the processes for managing and investigating livestock export incidents.
7. Council was informed that new arrangements for the export of cattle, sheep and goats to the Middle East from 1 May 2003 during Australian winter months had been implemented. These arrangements include the requirement for a 'Consignment Management Plan' for each export voyage to the Middle East during Australian winter months, development and introduction of a pre-shipment risk analysis 'heat stress

model', and revised criteria for registered assembly points used to hold livestock prior to export.

8. The Australian Government demonstrated its resolve to improve standards by late last year cancelling the export licence of one company for breaches of requirements and suspending the licence of one of the biggest companies mentioned in the recent *60 Minutes* story on the live trade. The export licence for this company has still not been renewed. It will only be renewed once the company has put in place systems that are sufficiently robust to allow the safe export of livestock.
9. Australia is also working through the International Animal Health Organization (OIE) to improve international standards and is in direct liaison with relevant veterinary authorities in overseas markets to improve standards in those markets.
10. The livestock industries continue to work in overseas destinations and have in place a \$3.3 million program that includes a number of steps to improve welfare outcomes at and following disembarkation. This includes the provision of technical advice and funding to improve unloading facilities, the installation of equipment to improve slaughter practices, permanent basing of an Arabic speaking vet in the Middle East and training for abattoir staff, including the provision of technical advice on animal health and husbandry practices.
11. These efforts were boosted by the announcement, on 18 July 2003, of \$150,000 in additional funds to improve livestock handling facilities and practices in the Middle East and North Africa, comprising \$100,000 in industry funds and \$50,000 from the Australian Government.

Recent *60 Minutes* Program

12. On 27 July 2003 the *60 Minutes* program aired a segment on the livestock export trade. The program aired footage of dead and suffering sheep aboard live export vessels. A number of allegations on the *60 Minutes* story related to incidents that occurred nearly two years ago. While the media reaction to the program has been quite moderate, Council recognised that there is likely to be continued public interest in the welfare performance of the trade.
13. The main concerns raised in the *60 Minutes* program were:
 - Allegations of under-reporting of animal mortalities made by a veterinarian accompanying a voyage in 2001. These allegations are currently being investigated by the AQIS Compliance Unit.
 - An inference of lack of enforcement of regulations on the transport of livestock by road. Road transport is covered under State/Territory legislation.
 - Corporate governance at Livecorp. The industry is presently considering a proposal to restructure Livecorp and to increase the number of independent directors.
 - An inference that de-regulation of the industry has not worked. The industry has not been de-regulated. Co-regulation of the industry was introduced in 1997. The future legislative framework is being examined under the Action Plan.
 - Overseas transport and handling practices. Discharge and slaughter practices are the responsibility of the importing country. As outlined in paragraphs 14-16, the

government and industry will continue to provide support and work towards improving the welfare outcomes in the markets where we have some influence.

14. To provide greater public assurance that the transport of livestock by road within Australia is being appropriately regulated, particularly for trips that span several jurisdictions, Council noted that Standing Committee proposed that each jurisdiction examine its existing arrangements for regulation of the transport of livestock by road. Each jurisdiction is to report back through the Animal Welfare Working Group of Primary Industries Standing Committee by 30 November 2003 on the adequacy of their existing arrangements and if necessary, possible options to enhance arrangements to ensure compliance with relevant Model Codes of Practice on transport of livestock.
15. PISC's Primary Industries Health Committee will also examine the status of welfare model codes of practice with particular emphasis on the adequacy of the code development process and on efforts to communicate and facilitate compliance with the codes, and report back to Standing Committee.

***Cormo Express* shipment**

16. Council discussed at length the current situation with regard to the rejection of the live sheep shipment aboard the *Cormo Express*. In particular, Council reviewed the prospects for finding a market for the sheep, either in the Middle East or elsewhere, as well as the implications of other options such as slaughter at sea or returning the shipment to Australia.
17. Council discussed the steps required should the shipment be returned to Australia, and that regardless, a full review would be undertaken of the *Cormo Express* incident. In addition, a broader, independent review would also be initiated into the live export industry generally by the Australian Government Minister for Agriculture, Fisheries and Forestry.

RESOLUTIONS

18. Council:
 - (a) **NOTED** the situation report provided on the *Cormo Express* incident and **ENDORSED** the need for the welfare of the sheep still on board to remain paramount in efforts to resolve the situation;
 - (b) **NOTED** that the Australian Government will consult with the relevant jurisdiction should a decision be proposed to return the sheep on the *Cormo Express* to Australia, and **NOTED** that the National Management Group had been activated;
 - (c) **NOTED** that a full investigation into the *Cormo Express* incident will be conducted, and the results made public;

- (d) **NOTED** community concern about the enforcement of animal welfare standards in the live sheep export industry, and supports rigorous administration of live export standards;
- (e) **SUPPORTED** the establishment of an independent review of the live export industry to examine:
 - (i) the adequacy of welfare model codes of practice;
 - (ii) the adequacy of current regulatory arrangements for the live export trade from farm of origin to ultimate destination;
 - (iii) the types of sheep suitable for export, especially ewes; and
 - (iv) the need for supervision of each voyage, in a manner that ensures accurate and transparent reporting of the condition of the livestock;
- (f) **NOTED** that the continuation of the live export trade requires demonstration that acceptable animal welfare standards are being met, and that appropriate arrangements are in place to provide assurance that Australian sheep would be accepted by the importing country;
- (g) **NOTED** that the Australian Quarantine and Inspection Service will rigorously oversee industry's adherence to live export standards until the above review is undertaken and its recommendations actioned; and
- (h) **REQUESTED** a report be provided to the next meeting of Council in April 2004.

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**ANTHRAX VACCINE - ENSURING A RELIABLE SUPPLY FOR AUSTRALIA'S
FORESEEABLE NEEDS**

1. Anthrax is normally a sporadic occurrence in Australia. Most cases occur in NSW, and to a lesser extent in Victoria, although there have also been a few cases in Queensland since 1993. An unusually large outbreak of anthrax occurred in northern Victoria in early 1997. A shortage of vaccine occurred due to the unexpected increase in demand, with around 80,000 doses being used.
2. Animals vaccinated twice at a 6–12 month interval are normally immune for life. The interim AUSVETPLAN disease strategy for anthrax recommends that vaccination should be compulsory for three years on infected premises.
3. Annual vaccination is precautionary to minimize the risk of further cases, although possibly unnecessary for many animals. It is important that vaccination is undertaken on properties where cases occur for at least the minimum three years. Vaccination annually may be warranted on some properties with a persistent history of cases. However, it is at least as important for carcasses from anthrax cases to be disposed of safely, by burning if at all possible.
4. Fort Dodge Australia Ltd (Fort Dodge) currently imports anthrax vaccine from Colorado Serum Company, Denver, Co., USA which is registered for use in Australia by the Australian Pesticides and Veterinary Medicines Authority.
5. Industry has been endeavouring to procure an alternative, cheaper source of anthrax vaccine than the commercial product imported by Fort Dodge since the unusual outbreak of anthrax in Victoria in 1997, which utilised around 80,000 doses over three months.
6. In November 2002, the Industry Working Group (IWG) submitted a proposal to establish a manufacturing plant at the NSW Agriculture Elizabeth Macarthur Agricultural Institute, Camden (EMAI). The justification for local manufacture was the risk of market loss from anthrax outbreaks, the threat of bioterrorism and market failure, particularly if the US government banned the export of vaccine in order to satisfy increased domestic demand.

7. Animal Health Committee established a working party in November 2002 to examine and report on the current risk of an increase in anthrax cases particularly associated with the drought.
8. Animal Health Australia (AHA) was requested by Safemeat in December 2002 to prepare a report that would investigate a range of issues surrounding the proposal to establish an anthrax vaccine manufacturing facility in Australia. A Final Report was issued on 5 June 2003 and identified a number of risk issues with the proposal to establish a manufacturing facility at the EMAI.
9. Anthrax vaccine for animal use utilises the live naturally avirulent Sterne strain of *Bacillus anthracis* and, being a live vaccine, is unsuitable for use in humans. Health authorities in Australia have access to overseas manufactured vaccines for prophylactic use in high occupational risk groups (e.g. laboratory workers and military personnel). Because different vaccines are needed, there are no identifiable efficiencies in a shared approach with health authorities to help underpin security of vaccine supply.
10. Anthrax vaccine for animal use may be needed for four potential situations:
 - (a) emergency vaccination – to prevent further cases when anthrax occur;
 - (b) preventive (prophylactic) vaccination - to protect livestock on farms where anthrax has occurred in previous years;
 - (c) for commercial purposes – some feedlots have policies to vaccinate all cattle for anthrax. Also, some countries require anthrax vaccination of sheep and/or cattle being imported from Australia; and
 - (d) to respond to bioterrorism.
11. The principal objective of anthrax vaccine policy should be to ensure that there is a reliable supply of vaccine available to handle all foreseeable and realistic demands. This is important to ensure that vaccination can be undertaken on affected and at risk herds and flocks when cases occur (in conjunction with safe disposal of infected carcasses by burning if possible), for prophylactic vaccination in high risk herds and flocks and for commercial export requirements.
12. Council noted advice that it is not anticipated the current drought will lead to a significant increase in the numbers of anthrax cases, although a small increase may occur in recognized areas when the drought breaks, and that agriterrorism involving the anthrax agent directed against animal industries in Australia is not a high risk at this time.
13. The stocks held by NSW and Victoria, some feedlots, the normal stock-on-hand with Fort Dodge and the expanded production capacity of Colorado Serum Company should be able to meet any likely emergency response needs. The feedlot industry has indicated that members holding reserves of anthrax vaccine would not be willing to lend it to other users.
14. The IWG continues to explore the establishment of an anthrax vaccine manufacturing facility in Australia, the current proposal being at EMAI. Their proposal on this to the NSW and Australian Governments in November 2002 was based on assumptions that the governments would agree to carry certain operational and product liability risks. Meat and Livestock Australia was to develop a business plan for this venture but this

has not been progressed. Despite this, the IWG is continuing to canvas support from the governments.

15. Council noted that a report would be provided out-of-session on how best to encourage prophylactic use of anthrax vaccine and how best to ensure a reliable anthrax vaccine supply. It was agreed that this report from AHA should assess cost-effectiveness and should take into account the outcomes of a NSW study on viability of a manufacturing facility.

RESOLUTIONS

16. Council:
 - (a) **NOTED** that the Animal Health Committee process to examine changed demand for anthrax vaccine in response to a range of variables, including the end of drought conditions, has not identified any likely significant increase in demand;
 - (b) **NOTED** that, at this time, the biosecurity risk from the malicious use of the anthrax agent directed at animal populations is not considered high, but that circumstances could change rapidly and therefore warrant on-going review by responsible agencies;
 - (c) **NOTED** the industry activities with respect to the establishment of a facility to manufacture anthrax vaccine for animal use in Australia;
 - (d) **NOTED** the merit in encouraging the prophylactic use of anthrax vaccination for flocks and herds in higher risk areas;
 - (e) **NOTED** that all options for ensuring a reliable supply of anthrax vaccine should be investigated;
 - (f) **AGREED** that industry, through Animal Health Australia with technical input from the Animal Health Committee, investigate and report out-of-session on how:
 - (i) the prophylactic use of anthrax vaccination for flocks and herds in higher risk areas can be encouraged; and
 - (ii) a reliable supply of anthrax vaccine to meet any realistic foreseeable need can be assured, including via a vaccine stockpile held in Australia; and
 - (g) **AGREED** that the terms of reference of the report undertaken by Animal Health Australia include cost effectiveness and consideration of the outcomes of the NSW consultancy.

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RESOLUTION	No: 4.9

LAYER HEN WELFARE MEASURES

1. It was agreed at ARMCANZ 17 (March 2000) and reinforced at subsequent ARMCANZ meetings, that the poultry industry would develop a comprehensive national quality assurance program - the Egg Production Assurance Program (EPAP).
2. ARMCANZ 18 (August 2000) agreed, subject to endorsement by the respective government of each jurisdiction, to a number of measures to improve hen welfare which built on the decisions taken by Ministers at ARMCANZ 17. Agreed measures included:
 - (a) an increase in the minimum floor space in conventional cages for all new cages commissioned from 1 January 2001;
 - (b) R&D to evaluate furnished cages, barn and free range systems under Australian conditions;
 - (c) development of a beak trimming accreditation program enforced by national uniform legislation; and
 - (d) legal underpinning, by a link to State/Territory legislation, of the bird welfare, animal health and food safety components of the industry's national QA program.
3. While ARMCANZ 18 agreed that the bird welfare, animal health and food safety components of the QA system will have legal underpinning, PISC 3 (September 2002) agreed that biosecurity issues are more appropriately linked to the State-Australian Government cost sharing agreement for specific diseases and food safety issues are within the legal jurisdiction of the State/Territory health authorities.
4. ARMCANZ 18 agreed that an annual report be provided to Council on progress in the implementation of the measures agreed by ARMCANZ including the national quality assurance program, legal underpinning of components of that program, amendments to State/Territory legislation, egg labelling, research and development, international developments and government assistance to industry.

Legislation

5. Council was informed that in relation to the ARMCANZ 18 decision to increase the minimum floor space to 550 sq cm per bird in conventional cages, as at 10 July 2003, Queensland, Tasmania, Northern Territory and the Australian Capital Territory, have specified the requirements in legislation.

6. In relation to the PISC 3 (September 2002) decision that all State and Territory jurisdictions arrange effective legislative underpinning the essential bird welfare parameters encompassed by the national industry QA program, two jurisdictions, Queensland and Tasmania, have specified the measures in legislation. The Tasmanian legislation has yet to be proclaimed. In Western Australia compliance with the national industry QA program is a condition of licensing of establishments to produce eggs.
7. Four jurisdictions (Queensland, Western Australia, Tasmania and the Australian Capital Territory) have implemented the PISC 3 decision that all State and Territory jurisdictions adopt the Model Code of Practice for Animal Welfare – Poultry (4th edition) as their State/Territory code of practice for poultry.

National quality assurance program

8. The Australian Egg Industry Association Inc. (AEIA) has advised that it believes that the industry is 80% compliant with the QA program and that a higher level of compliance can only be achieved if the program is enforced by legislation.

Research and development

9. ARMCANZ 17 and 18 recommended that RIRDC support R&D into alternatives to the caged systems, identifying suitable hen genotypes for barn and free-range systems, economic evaluations of industry to identify future investment options and management training of the various production systems. The R&D into the alternative systems under Australian conditions is to be completed by 2005.
10. Progress has been satisfactory. While there may be some further work on alternative systems done after 2005, it is expected there will have been two full trials of the alternative systems by 2005.

International developments

11. Council was informed that, as previously reported, there are no US Government regulated standards for poultry. There are, however, industry best practice guidelines driven by companies such as McDonalds and Burger King Corporation.
12. Progress in implementing EC Directive CD99/74/Ec which bans conventional cages from 1 January 2012, continues to be uneven. It is to be reviewed in 2005. The welfare benefits of enriched cages have been questioned and lobby groups want all EU member states to emulate Germany which is likely to bring forward the date of the ban on conventional cages to 2007 and the ban on enriched cages to 2012. About 75% of UK farmers are still using conventional cages. The UK and other EU member states continue to do research into the benefits of alternative egg production systems including enriched cages. Spain, Italy and Greece appear to be going about business as usual with no real practical moves to change anything. Everyone appears to be on hold until 2005.

Government assistance to industry

13. Council was informed that PISC 4 (March 2003) had concluded that no additional adjustment assistance be provided to the egg industry to facilitate implementation of the layer hen housing option agreed by ARMCANZ.
14. As at the last PISC meeting in September 2003, all jurisdictions still adhered to the PISC 4 Resolution that no additional adjustment assistance be provided to the egg industry to facilitate implementation of the layer hen housing option agreed by ARMCANZ, beyond that currently available to all primary producers.
15. Studies were commissioned in two states, Victoria and South Australia, into the impact of the ARMCANZ decisions on the egg industries in those states. The report on the Victorian study has been completed but is not publicly available. The South Australian report found that at the very least, the cage legislation will result in a fundamental restructuring of the South Australian egg industry with the majority of the current intensive cage operators being forced to leave the industry.
16. Council discussed the need to understand the full implications of the ARMCANZ decision for the egg industry. It was considered that, to properly consider how best to respond to the industry on the transition to the new standard, it was essential to assess the costs and benefits of implementing the layer hen housing decision. This information should be provided to the next Council meeting, together with a review of recent findings on the animal welfare benefits of amending the layer hen housing code.

Implementation of the National Egg Labelling Standards

17. All jurisdictions except Western Australia have agreed to amend standard 6 of the National Egg Labelling Standards. The proposed amendment would remove the prescriptive requirement that the definition of the egg production system be included on the underside of the top of the carton and, instead, require that the definition be printed legibly on a visible location on the carton. Where this is not practicable, for example due to constraints imposed by half dozen or third dozen cartons, the amended standard would require an industry or producer website to be legibly printed on a visible location on the carton.

RESOLUTIONS

18. Council:
 - (a) **NOTED** that implementation of the hen welfare measures agreed at ARMCANZ 17, 18 and 19 is progressing slowly and unevenly;
 - (b) **NOTED** progress (as at September 2003) in amending/introducing legislation:
 - (i) five jurisdictions, Queensland, Tasmania, Western Australia, the Northern Territory and the Australian Capital Territory, have implemented the ARMCANZ 18 decision to increase the minimum floor space to 550 sq cm per bird in conventional cages commissioned from 1 January 2001;

- (ii) three jurisdictions, Queensland and Tasmania and Western Australia, have arranged effective legislative underpinning for the essential bird welfare parameters encompassed by the national industry QA program, although the Tasmanian legislation has yet to be proclaimed;
 - (iii) four jurisdictions, Queensland, Western Australia, Tasmania and the Australian Capital Territory, have adopted the Model Code of Practice for Animal Welfare – Poultry 4th edition as their State/Territory code of practice for poultry; and
 - (iv) while a beak trimming accreditation program has been developed, national harmonised legislation to enforce this program has yet to be put in place;
- (c) **NOTED** that the Australian Egg Industry Association Inc (AEIA) has advised that 80% of the industry is compliant with the national quality assurance program;
- (d) **NOTED** that progress in implementing the ARMCANZ layer hen R&D decisions has been satisfactory;
- (e) **NOTED** that all jurisdictions except Western Australia have agreed to amend standard 6 of the National Egg Labelling Standards and that the Tasmanian Department of Primary Industries Water and Environment, as the lead government agent overseeing implementation of the labelling standards, has written to AEIA to clarify the industry position on amending standard 6 and further clarify the facts regarding overall compliance with the standards;
- (f) **REQUESTED** Standing Committee undertake an assessment of the costs and benefits of implementing the layer hen housing option agreed by ARMCANZ to be provided to the next meeting of Council in April 2004 and prior to the consideration of strategies to assist industry in making a transition to new standards; and
- (g) **AGREED** that in addition, a review and analysis of the current research findings in relation to the animal welfare benefits of the changes to the code agreed to at ARMCANZ 18 also be undertaken and a report be provided to the next meeting of Council in April 2004.

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	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.10

GENETICALLY MODIFIED CROPS – UPDATE REPORT

1. Council has had a number of discussions in relation to the introduction of genetically modified (GM) crops and has taken a number of decisions. PIMC 1 (May 2002):
 - (a) noted that human health and environmental risks of new GM innovations in Australia will be managed by the Office of the Gene Technology Regulator and the Gene Technology Ministerial Council;
 - (b) noted that trade related issues can be dealt with under the Genetically Modified Free Zones being considered as a policy principle by the Genetic Technology Ministerial Council at its meeting on 24 May 2002;
 - (c) agreed to the management of genetic modification risks to agricultural production by industry self-regulation supplemented by government monitoring;
 - (d) requested Standing Committee to monitor and report on the “industry self-regulation and government monitoring” approach in two years time, or earlier should changes in policy or market conditions warrant; and
 - (e) noted that the Tasmanian position was that a regulatory approach under both Commonwealth and, as necessary, state legislation was preferred to industry self-regulation for the management of GM risks to agricultural production and trade.

2. The majority of States and the ACT have recently decided to move to a more regulatory approach in respect of GM food crops, notably GM canola.

Government monitoring

3. PIMC 3 (April 2003) noted that a national monitoring program for industry arrangements for GM canola is under development with a view to finalisation once the licence conditions for GM canola are known.

4. The Plant Industries Committee effectively suspended work in May 2003 on the nationally consistent program for monitoring industry self-regulation in light of, in particular, the moratorium introduced in New South Wales and the voluntary pause introduced in Victoria. PISC 4 (March 2003) agreed a proposed framework for the assessment of industry preparedness and government monitoring for the first year of commercial GM canola production. Victoria, together with the Australian Government, Western Australia, South Australia, Queensland and the Northern Territory also committed to working towards a national monitoring program and provided in principle commitment to funding for that program once details have been further developed.

5. On 25 July 2003, the Gene Technology Regulator (the Regulator) granted a license for the commercial release on Bayer CropScience's InVigor® GM canola. The Regulator made this decision after extensive field trials in Australia and a rigorous independent assessment of potential health, safety and environmental impacts had found InVigor® canola as safe to humans and the environment as conventional (non-GM) canola.
6. Following the announcement of this decision, the Regulator met Bayer CropScience on 12 August 2003 to discuss the continuing operation of its field trials. Victoria, New South Wales, South Australia, Tasmania and Western Australia are monitoring existing and former Bayer CropScience's InVigor® GM canola field trials under effectively the same conditions as applied under the OGTR licence. Officers from Victoria, South Australia and Western Australia are exploring the possibility of a common set of conditions for field trial monitoring.
7. A meeting between the Australian Government, State government officials and the OGTR was held on 8 September 2003 to discuss government monitoring arrangements. State government officials outlined progress in implementing their respective policy positions on commercial cultivation of GM crops. Government officials met with the technology providers in the final session of the meeting to discuss how the implementation of these regulatory approaches will affect current and prospective field trials of GM canola.

Market considerations

8. PIMC 3 (April 2003):
 - (a) noted the co-operative approach being taken by a number of States developing GM zoning legislation and supports the development of principles for the declaration of GM and GM free zones for marketing purposes to ensure consistency of legislative approach with the national gene technology regime, and to ensure obligations under trade agreements are met; and
 - (b) agreed that the Commonwealth will brief members out-of-session on the market experience and outlook for GM crops in Europe, Asia and other countries and provide further information on the trade and WTO implications of introducing GM legislation as discussed in the agenda paper.
9. A meeting of Australian Government, State and Territory officials in Melbourne on 8 May 2003 discussed issues of common concern in relation to designated areas legislation. The issues raised included the need to take account of Australia's WTO rights and obligations, consistency with free trade in goods legal requirements (under section 92 of the Constitution and mutual recognition arrangements within Australia and with New Zealand) and consistency with National Competition Policy. A paper on the WTO aspects was circulated to State and Territory Council members out-of-session in July 2003.
10. A report on market access for GM grains was released by ABARE on 28 July 2003. This report was circulated out-of-session as requested at the last meeting of Council in April 2003. The ABARE findings mirror the recent reports by the Productivity Commission, the WA Department of Agriculture and previous ABARE reports. The key findings of the report are:
 - (a) while some market access barriers exist, there is evidence that GM grains are finding ready markets;

- (b) there is limited evidence of price premiums for non-GM certified grains; and
 - (c) an important trend to watch is the imposition of labelling requirements. It is estimated that around 84 per cent of the world canola and soybean trade, and over 50 per cent of the world cottonseed and maize trade, enters countries with mandatory labelling requirements. Labelling may be required in the future due to the adoption of the Biosafety Protocol, which is the international Treaty aimed at standardising procedures for the movement between countries of living modified organisms.
11. The Australia New Zealand Food Regulation Ministerial Council has recently called for a review of the GM food labelling regulations set by Food Standards Australia New Zealand. This is to be a tightly focused review and comparison of labelling requirements (including internationally) and will not include a review of domestic GM labelling policy. The review is expected to be completed by December 2003.

Policy Principle

12. On 31 July 2003, the Gene Technology Ministerial Council agreed to issue the Gene Technology (Recognition of Designated Areas) Policy Principle. The Policy Principle recognises State and Territory law that designates areas for the preservation of the identity of either GM or non-GM crops for marketing purposes. The Policy Principle will mean that the Regulator must not issue a licence that is inconsistent with State and Territory legislation.

Industry arrangements

13. The Gene Technology Grains Committee has developed the Canola Industry Stewardship Protocols, but is yet to formalise them. The Protocols are designed to maximize choice for producers and consumers and are viewed as "what to do" documents. Industry compliance with these documents is voluntary. Current proposals are to rename the Protocols as "Principles" and to develop a set of documents that explain "how to do" by the end of November. The "how to do" documents would encompass three areas:
- (a) pre-farm seed production and supply;
 - (b) on-farm seed storage, paddock selection, seeding, in-crop operations, harvest and on-farm crop storage; and
 - (c) post-farm grain receipt, bulk storage, transport, marketing and processing.
- AWB Ltd is leading the process for developing the post-farm "how to do" documents and it expects to have them prepared by November 2003.

WTO GMO Dispute

14. As noted in the agenda item 'Trade - Policy Issues Review', Australia is a third party to the US challenge to the EC ban on GMOs. The dispute is at a preliminary stage.

RESOLUTION

15. Council **NOTED** developments in regulation of the commercial cultivation of genetically modified crops.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.11

**FORESTS AND ENVIRONMENTAL SERVICES -
A NATIONAL POLICY FRAMEWORK FOR CO-INVESTMENT IN
AFFORESTATION AND THE ENVIRONMENT**

1. PIMC 3 (April 2003) adopted a resolution recognising the important role of natural resource management (NRM) committees in furthering land use change initiatives. PIMC also recognized the need for public investment, through the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust, to lever commercial investment in lower rainfall plantation development to achieve a range of environmental benefits.
2. A joint PISC/NRMSC Working Group was established to develop a policy approach to address the following issues endorsed by PIMC 3:
 - (a) identify areas suitable for large-scale commercial reforestation activities which would also yield the greatest environmental benefits;
 - (b) investigate commercial incentives in recognition of the public benefit of revegetation in lower rainfall areas and the need to enhance the commercial viability of such plantings;
 - (c) recognise the important role regional NRM committees play in furthering land use change initiatives and ensure governments work with regional committees, industry groups and other stakeholder to assist in the formulation of regional plans, which address salinity remediation revegetation priorities and/or harness commercial revegetation opportunities; and
 - (d) develop on-ground initiatives and possible catchment-level pilots.
3. The incorporation of commercial tree crops into agricultural systems in the low to medium rainfall areas promises a cost-effective approach to addressing a range of core NRM issues. These include the mitigation of salinity both on-site and downstream where its impacts on water quality and biodiversity are of major significance, the protection of a range of other public assets, including water resources and rural infrastructure as well as improved profitability and sustainability for agriculture. Tree crops will, by sequestering carbon, support work to combat projected climate changes due to increasing atmospheric greenhouse gases, and contribute to energy management through the development of alternative energy sources.
4. However, to achieve these outcomes in low to medium annual rainfall areas will require significant, strategic government investment and planning. The first issue is the need to identify areas suitable for commercial tree crops that will also yield significant

environmental benefits. In undertaking such a task there is a need to recognise that large-scale revegetation with tree crops in high rainfall areas can result in outcomes such as significant reductions in water availability. Targeting revegetation to minimise flow reductions is therefore important to maximise net benefit. This has been explicitly recognised in the Murray-Darling Basin Management Strategy which recommends that afforestation of salinised catchments should be restricted to areas where Mean Annual Rainfall is less than 800mm. There is currently no institutional framework against which the positive and negative benefits of commercial tree crops can be assessed. The Working Group concluded that in order to identify areas suitable for tree crops, there needed to be a set of core criteria developed for assessing the suitability of large-scale commercial tree crop activities.

5. The need to investigate commercial incentives in recognition of the public benefit of revegetation in lower rainfall areas and the need to enhance the commercial viability of such plantings has been identified as the second issue. The Working Group identified a range of instruments available to governments to encourage changes in land uses. While they noted economic instruments (particularly market based instruments) may prove useful in determining government investment in tree crop activities in low rainfall areas, other supporting policies such as research and development into new and appropriate species is also critical to successful industry development. The Working Group concluded that there was a need to identify key policy instruments available to lever private investment, including economic instruments and research and development programs.
6. The third issue is to link profitability with environmental goals at an appropriate scale. The important role regional NRM committees play in furthering land use change initiatives has been recognised. Governments need to work with regional committees, industry groups and other stakeholders to assist in the formulation of plans, which effectively address salinity remediation, tree crop priorities and/or harness commercial tree crop opportunities. The proposed development of a set of core criteria against which to assess tree crop activities and the identification of key incentives, could provide the necessary policy framework within which private investment could be leveraged at a sub-catchment, catchment or regional level.

RESOLUTIONS

7. Council:
 - (a) **AGREED** to the Primary Industries Standing Committee and the NRM Standing Committee, in consultation with relevant Cooperative Research Centres (CRCs) and other bodies, undertaking work on policy settings and tools for targeted development of plantations/tree farms and wood processing industry where desirable to achieve environmental (land and water) and economic (commercial) benefits;
 - (b) **AGREED** that in considering candidate areas, the committees will:
 - (i) develop a set of criteria for the selection of areas in which forestry will deliver the greatest net public benefit;

- (ii) seek to identify key government and market-based instruments to lever private investment and/or internalise environmental values in primary industry economic settings;
 - (iii) review current projects and consider and report on the value of further pilot projects; and
 - (iv) have regard to the requirements of the proposed COAG national water initiative; and
- (c) **AGREED** that progress with this work be reported at Primary Industries and Natural Resource Management Ministerial Councils at their meetings in April 2004.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.12

NATIONAL BIOSECURITY ISSUES

1. Council was informed of Standing Committee's decisions in relation to:
 - (a) the Review of Biosecurity Protocols in Plant Research Establishments; and
 - (b) development of a National Biosecurity System.

Review of Biosecurity at Plant Research Establishments

2. In May 2003 PISC commissioned a review of biosecurity protocols in plant research establishments after several incursions of exotic plant pests and diseases which were all in some way associated with research establishments. The review team, led by John Radcliffe, were asked to pay particular attention to cereal breeding centres following on from the wheat streak mosaic virus incident.
3. The Review of Biosecurity at Plant Research Establishments (the Radcliffe Review) concluded that the framework for managing biosecurity in plant research establishments is sound. However, it noted inconsistencies in the quality of implementation of the system and made a number of recommendations aimed at improving this. Based on the wheat streak mosaic virus incident, the Review also recommended several ways in which the effectiveness and efficiency of incursion management could be improved.
4. PISC agreed that Plant Health Committee (PHC) implement, where appropriate, the recommendations of the Radcliffe Review. In developing a national response, PHC will take into account that AQIS alone cannot manage biosecurity risk along the whole continuum of quarantine. This has been highlighted in previous reviews of AQIS, including Lindsay 1988 and Nairn 1996, which noted that a partnership must develop where all institutions and individuals involved in the importation of exotic biological material recognise their role in managing the associated risk.

Development of a National Biosecurity System

5. Council was informed that Standing Committee considered a proposal for the development of a National Biosecurity System. The proposed system would provide a consistent national framework of policy and process within which to approach national biosecurity issues.
6. Standing Committee had agreed to establish a working group to develop a proposal for a National Biosecurity System which will address the broader, longer-term biosecurity issues in relation to the management of animal, plant and marine pest and disease

incursions. The working group has been asked to develop a statement of policies and processes which recognises that, as well as primary industry interests, health, environment and natural resource management interests need to be involved in developing policy and in the delivery of policy.

7. As a first step, the National Biosecurity System will need to be defined, gaps in the existing system identified and priorities, roles and responsibilities and actions determined. Once the proposal has been developed, National Resource Management Standing Committee and Ministerial Council endorsement will need to be sought.
8. The proposed National Biosecurity System will build upon the success of Operation Minotaur and the public awareness profile that has been established for biosecurity matters. It will encompass a consistent national framework for agreed action for dealing with animal and plant pest and disease incursions that have production, environmental and human health consequences across:
 - the Primary Industry Ministerial Council, the Natural Resource Management Ministerial Council and the Health Ministerial Council;
 - the nine jurisdictions; and
 - all relevant plant, animal and aquatic industries.
9. Development of the system will:
 - (a) establish a common basis of understanding;
 - (b) address terrestrial and aquatic incursions;
 - (c) establish preparedness, response and recovery mechanisms;
 - (d) identify agreed roles and responsibilities; and
 - (e) establish suitable resourcing and cost-sharing mechanisms.
10. The proposed system will cover preparedness, pre-border, border and post-border requirements and provide a framework within which detailed tools, such as Biosecurity Australia's Import Risk Analysis Handbook and the Emergency Animal Disease Response Agreement, will operate. Animal Health Australia and Plant Health Australia will be key participants.

RESOLUTIONS

11. Council:
 - (a) **NOTED** Standing Committee's decision that Plant Health Committee implements the national response to recommendations of the Review of Biosecurity at Plant Research Establishments;
 - (b) **NOTED** Standing Committee's decision to establish a working group, led by the Primary Industries Health Committee Chair, to develop a proposal for a National Biosecurity System to address the broader, longer-term biosecurity issues in relation to the management of animal, plant and marine pest and disease incursions, including the need to engage industry, health and environment agencies on relevant issues; and
 - (c) **AGREED** that a paper proposing a program to address these broader issues be prepared for consideration by Council in April 2004.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.13

IV WORLD CONGRESS OF RURAL WOMEN – PROPOSED AUSTRALIAN RURAL WOMEN’S TRADE INITIATIVE

1. Following recent attendance at the III World Congress of Rural Women in Madrid, Spain, members of the Australian delegation identified the potential for Australia to further develop links with developing countries in order to promote mutually beneficial trade reform.
2. At PIMC 3 (April 2003), the New South Wales Minister for Agriculture, the Hon. Ian Macdonald MP, brought forward a proposal for a research program to examine the impact of trade liberalisation on rural communities in developing and developed countries, with the research findings forming the basis of a paper to be presented by the Australian delegation at the IV World Congress for Rural Women in 2006.
3. Ministers agreed that NSW seek further consultation with relevant womens’ organisations in relation to the proposed research program and report back to the next meeting of Council.
4. Standing Committee considered a further paper on this issue, however did not agree to the recommendation that a research program be cost-shared between members. However, PISC did agree that a paper be prepared by ABARE for presentation at the Congress that addresses the impacts of trade liberalisation on rural communities in developing and developed countries.

RESOLUTIONS

5. Council:
 - (a) **ACKNOWLEDGED** the paper brought forward by the New South Wales Minister for Agriculture and Fisheries at PIMC 3 that sought to have Australia raise the issue of international trade reform at the IV World Rural Women’s Congress in 2006, to be held in South Africa; and
 - (b) **ENDORSED** the preparation of a paper by ABARE, for presentation at the Congress, that addresses the impacts of trade liberalisation on rural communities in developing and developed countries.

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.14

REPORT BY STANDING COMMITTEE CHAIR

1. Members were provided with an overview of significant issues considered by Standing Committee and a review of key areas of activity against the priorities identified by PIMC 1 (May 2002).
2. Annex A provides a summary of the more significant activities being undertaken both by Council and Standing Committee against the nine priority areas agreed in May 2002.
4. PISC5 (September 2003) resolved to amalgamate the work of the Industries Competitiveness Committee (ICC) and the Rural Affairs Committee (RAC) into a new Industry Development Committee
 - this reflected in large part the overlap emerging in the work programs being undertaken by the ICC and RAC, in key areas such as drought assistance issues and the role of government in primary industries.
5. Considerable work continues to be undertaken in relation to addressing plant and animal disease, both in terms of long-term management and prevention strategies and implementation of comprehensive processes for dealing with emergency disease outbreaks
 - a significant report arising from Exercise Minotaur on Foot and Mouth Disease has been provided to COAG Senior Officials
 - endorsement has been being sought from Council for pursuing a number of initiatives arising from the recent government/industry FMD/BSE Policy Forum
 - proposals have been brought to Council for implementation of national livestock identification and tracing systems
 - a paper has been brought to Council outlining a process for responding to the Radcliffe Report on Biosecurity Protocols and for developing a longer-term national biosecurity strategy
 - consideration is also being given to developing a National Plant Health System which clearly defines decision-making processes and the roles of key players in responding to major outbreaks, similar to existing mechanisms in place for animal disease outbreaks.
6. Broad issues such as drought assistance and the impact of a range of international agricultural trade developments continue to be significant items for discussion.

7. Initiatives have been put in place for ongoing involvement in the aquaculture industry (through the National Aquaculture Action Agenda), the forestry industry (through a series of workshops to develop policy options for forest industry regional development and investment) and key elements of the role of government in the agricultural sector such as whole-of-chain issues and NRM/sustainability.
8. An emerging area that Standing Committee continues to develop is the role of sustainable primary production (and the role of PISC and PIMC) in achieving broader objectives of the natural resource management agenda
 - Council in particular considered a proposal for joint work with the NRM Ministerial Council on the application of forestry to environmental quality improvement such as salinity reduction.
9. The PISC Chair also informed members of important developments taking place in States and Territories in relation to research and research management. Members were also informed that a high level group was undertaking a comprehensive report for consideration of Ministers at their next meeting in April 2004.

RESOLUTION

10. Council **NOTED** the report.

ANNEX A: Primary Industries Ministerial Council – Progress report April 2003

PRIMARY INDUSTRIES MINISTERIAL COUNCIL – PROGRESS REPORT – OCTOBER 2003**Objective**

“To develop and promote sustainable, innovative and profitable agriculture, fisheries/aquaculture, food and forestry industries.”

Terms of reference

- (a) develop, implement and review policies and strategies for achieving agreed national approaches to the development of sustainable primary and related food industries;
- (b) actively liaise with other Ministerial Councils and other bodies on matters relevant to the activities of the Council; and
- (c) direct the work of and consider matters submitted by its Standing Committee.

Priority areas

1. finalise arrangements with industry for the management, including funding, of animal and plant disease outbreaks across all industry sectors;
2. ensure the implementation of disease preparedness systems, in particular for FMD;
3. ensure animal welfare practices are amongst the best in the world;
4. ensure the protection of Australia’s primary industries resources, plant and animal biodiversity through scientifically-based biosecurity policy;
5. influence the business environment in the development and adoption of innovation along the value chain in agriculture, fisheries, food, forestry and all associated industries in order to promote globally competitive industries;
6. adopt standards and guidelines directed at sustainable primary industry practices and the maintenance of Australia’s “clean green” reputation;
7. the role of forests in sustainable landscapes;
8. Indigenous communities to better participate in, benefit from and contribute to primary industries; and
9. maximise the opportunities for rural women and youth to participate in the management of their industries.

PRIORITY 1: Finalise arrangements with industry for the management, including funding, of animal and plant disease outbreaks across all industry sectors

TASK	OUTPUTS	COMMENT
Agreement of cost sharing arrangements with Animal Health Australia for Emergency Animal Diseases	EADRA workshop held in June 2003 to consider issues related to the operation of the CSA. Outcomes considered by PISC5 with further work to pursue to be taken up by Animal Health Australia (AHA), including increasing the agreed limit for FMD to 2% of GVP.	
Agreement of cost sharing arrangements with Plant Health Australia.	Plant Health Australia (PHA) to circulate revised draft CSA by target date of December 2003 for endorsement – issues remain to resolve eg. eligible costs for re-imburement.	
National Plant Health System – Review to ensure clarity of structures and decision-making roles.	Primary Industries Health Committee, Plant Health Committee and PHA have initiated a process to evaluate the Plant Health System (eg. in comparison with the animal health system) and to recommend improvements to PISC.	

PRIORITY 2: Ensure the implementation of disease preparedness systems, in particular for FMD

Review of Exercise Minotaur, including outcomes of the recent FMD/BSE Policy Forum	Draft report on Minotaur to be circulated for comment and subsequent submission to COAG members and agricultural agencies in April 2003. Will be considered at PIMC4. PISC5 has considered the outcomes of the FMD/BSE Forum and agreed to the development of a structured business plan for FMD, BSE and EAD preparedness with co-ordination through the Chief Veterinary Officer.	
National Biosecurity Strategies – respond to the Radcliffe Report on Biosecurity Protocols as well as the longer-term issue of developing a comprehensive national biosecurity system.	PIMC4 will be asked to consider a proposed response to the Radcliffe Report conducted in the aftermath of the Wheat Streak Mosaic Virus outbreak and to endorse proposed longer-term work to develop a comprehensive national biosecurity strategy that ensures a consistent approach to incursions across animal, plant and marine areas.	
BSE – Action to upgrade surveillance and response capability in light of recent international incidents.	PIMC4 will be asked to agree to implementation of a wide range of activities to ensure appropriate levels of monitoring, contingency plans, testing, auditing and international co-operation in relation to possible BSE outbreaks in Australia.	
National Livestock Identification and Tracing – implementing traceback and traceforward systems compatible across all jurisdictions.	Agenda paper to be brought to PIMC4 setting out details for implementation of cattle and sheep based systems, development of performance standards for PISC/PIMC consideration and development of a national communications strategy.	

PRIORITY 3: Ensure animal welfare practices are amongst the best in the world

Consideration of the role of PIMC in animal welfare issues beyond those of production animals.	PIMC3 agreed to limit its role to significant issues benefiting from a national approach.	
National ban on tail-docking of dogs	PIMC agreed out-of-session that jurisdictions would implement a ban on tail docking of dogs.	
Live export trade to the Middle East – monitoring of exporter performance and reporting to PIMC.	Reports to PISC5 and PIMC4 on measures implemented since 2002 to reduce mortality rates. Jurisdictions to report to PISC on arrangements governing road transport of livestock.	

PRIORITY 4: Ensure the protection of Australia's primary industries resources, plant and animal biodiversity through scientifically-based biosecurity policy

Proposed guidelines for industry stewardship programs and crop management plans for GM crops	Proposed guidelines were presented to PISC 4 (March 2003).	
Industry preparedness for commercialisation of GM canola and options and recommendations for ongoing Government monitoring of industry arrangements.	Task force with across-jurisdiction representation appointed to investigate issues and provide advice. Paper considered at PISC 4 and presented to PIMC 3 (April 2003) with proposed framework for assessment of industry preparedness and government monitoring. PIMC4 will be asked to consider a paper on GM Crops – Update Report as a progress report on management of GM crops in Australia.	
Ratification of International Treaty on Plant Genetic Resources for Food and Agriculture.	Plant Industries Committee has been briefed on progress implementing the International Treaty. PIC has met with GRDC to discuss GRDC's and State jurisdictions' policy roles in setting up plant genetic resource centres. PISC has been briefed out-of-session.	
Agvet Chemicals Management Systems – responses to the Radcliffe Report and the Allen Review.	PISC5 considered proposed responses to the two reports and has requested the Product Safety and Integrity Committee to report out-of-session on a project outline to develop national principles governing an agvet chemicals management system, data collection and a national communications strategy.	

PRIORITY 5: Influence the business environment in the development and adoption of innovation along the value chain in agriculture, fisheries, food, forestry and all associated industries in order to promote globally competitive industries

Ongoing consideration of application of Exceptional Circumstances and assessment of its effectiveness.	This has been considered regularly at both PISC and PIMC meetings. Discussion at PISC5 focussed on preparing material that would outline a range of options for consideration at the proposed national roundtable, including possible new approaches on future drought assistance.	A paper has been brought forward to PIMC 4 concerning possible action in the future to review drought relief funding processes.
Review of the future role of government in agriculture – joint program by the Rural Affairs Committee and the Industry Competitiveness Committee.	Report was considered at PISC5 on future action by the Industries Competitiveness Committee to address priority issues arising from the October 2002 workshop on whole of chain issues, natural resource management and sustainability issues, and the roles and direction of rural industry research corporations.	A further report will be provided to PISC.
Development and implementation of the National Aquaculture Action Agenda.	Following endorsement by the Australian Government of the National Aquaculture Action Agenda, PISC5 was informed that the Marine and Coastal Committee of NRMSC will work with the AIAA Implementation Committee to take the Action Agenda forward.	
Oversight and development by the Publications and Databases Committee of ARRIP, ABOA and Streamline databases integrating agricultural and NRM information on research in progress.	PISC and NRMSC agreed to jointly manage and share costs of running integrated database as Australian Agriculture and Natural Resources Online (AANRO). NRMSC has nominated its representatives for PDC. PDC has completed selection process for the provider for the new database website contract.	
Management of the Australian Journal of Experimental Agriculture, including implementation of decision to commercialise.	Following agreement from PISC, PDC is negotiating with CSIRO Publishing agreement for progressive transfer of ownership of AJEA and reduction of PISC funding. A paper seeking agreement out-of-session will be circulated to PISC.	
Forest Industry Regional Development and Investment – organisation of workshops to identify industry/government co-operative activities to improve investment in industry.	Regional workshops started in April 2003 and will be held in South Australia, Victoria, WA, Queensland, Tasmania and NSW. FFPC will then prepare a policy paper for consideration by governments.	
National Principles for Fire Management in Native Forests and Plantations prepared by the Forest Fire Management Group.	FFPC has endorsed the report and referred to the Land, Water and Biodiversity Committee of NRMSC for endorsement.	

PRIORITY 6: Adopt standards and guidelines directed at sustainable primary industry practices and the maintenance of Australia's "clean green" reputation

Endorsement and management of the Australian Forestry Standard in relation to sustainably managed forests.	Public company AFS Ltd registered in July 2003 with government, industry and employee directors.	
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PRIORITY 7: The role of forests in sustainable landscapes

Salinity management through development of better agricultural and NRM systems.	PISC's Plant Industries Committee is developing an outline of a possible approach with the FFPC and LWBC for further consideration by PISC and NRMSC.	
Forests and Environmental Services	Recommendations are being taken to PIMC4 and NRMMC5 setting out a program of joint work on policy settings and targeted development of plantations to achieve both economic and environmental benefits.	A report will be required back to Councils in April 2004.

PRIORITY 8: Enable Indigenous communities to better participate in, benefit from and contribute to primary industries

Development and implementation of indigenous reconciliation action plans	In response to COAG both PIMC and NRMMC endorsed action plans for indigenous engagement. Standing Committees were asked to develop implementation plans. Implementation plans were agreed at PIMC and NRMMC in October 2002. Progress reports to be submitted in April 2004.	Developed in conjunction with the Environment protection and Heritage Council.
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PRIORITY 9: Maximise the opportunities for rural women and youth to participate in the management of their industries

Evaluation of the National Action Plan for Women and the RIRDC Rural Women's Award	At its last meeting the Rural Affairs Committee agreed that the proposal for a national summit for young people in rural industries would not now proceed. PISC5 was informed.	
Development of key activities related to young people in rural industries such as proposed summit on succession planning, development of web-based reference tools, reviews of government programs on learning needs of young people and effectiveness of the Young People in Rural Industries Working Group.	The role of these groups will be reviewed as part of the amalgamation of the Industries Competitiveness Committee and the Rural Affairs Committee into the new Industries Development Committee.	

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.15

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 expenditure items agreed by PISC 5 (September 2003) is at Annex A.
3. In addition, Standing Committee was advised of the following expenditure approved by its advisory committees:
 - . Primary Industries Health Committee - \$12,000; and
 - . Forestry and Forest Products Committee – total of \$75,000.

RESOLUTION

4. Council **NOTED** the financial items agreed by Standing Committee.

ANNEX A: Summary of agreed expenditure items

SUMMARY OF AGREED EXPENDITURE ITEMS

Agreed by PISC 5 out-of-session

PISC 5.19 Long term containment strategy for exotic fruit flies in Torres Strait

Funding in 2002-03 [comprising \$40,000 for routine bait spraying; and \$160,000 for the pro-active blocking on the major northern islands and responses to detections that exceed blocking trigger points (AQIS and QDPI)] with member contributions as follows:

	%	\$
Australian Government	50.0	100,000
New South Wales	10.2	20,400
Victoria	12.6	25,200
Queensland	15.4	30,800
Western Australia	3.7	7,400
South Australia	6.3	12,600
Tasmania	1.3	2,600
Northern Territory	0.5	1,000
TOTAL	100.0	200,000

PISC 5.25 Eradication of grapevine leaf rust in the Northern Territory

Funding for 2003-04 and indicative budgets for 2004-05 and 2005-06, subject to the NT developing a process that ensures removal of all diseased grapevines by June 2004, with member contributions as follows:

	%	2003-04 \$	2004-05 \$	2005-06 \$
Australian Government	50.00	231,250	65,250	34,150
New South Wales	11.30	52,263	14,747	7,718
Victoria	14.24	65,860	18,583	9,726
Queensland	0.25	1,156	326	171
Western Australia	2.17	10,037	2,832	1,482
South Australia	21.87	101,149	28,540	14,937
Tasmania	0.17	785	222	116
TOTAL	100.00	462,500	130,500	68,300

PISC 5.13 National Register for Domestic Animal Pathology
 Funding for 12 months in 2003-04 for the National Registry of
 Domestic Animal Pathology, with member contributions as follows:

	%	\$
Australian Government (DAFF)	20	24,668
CSIRO	5	6,166
New South Wales	20	24,668
Victoria	20	24,668
Queensland	15	18,500
Western Australia	7	8,634
South Australia	7	8,634
Tasmania	3	3,700
Northern Territory	3	3,700
TOTAL	100	123,338

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.16

NEXT MEETINGS

1. Forward meeting dates for 2003 and 2004 for the Natural Resource Management, Primary Industries and Environment Protection and Heritage Ministerial Councils were agreed by the NRM Ministerial Council in May and October 2002. However, parliamentary sitting dates in various jurisdictions have often precluded some Ministers from attending Council meetings and required changes to meeting dates.
2. At its April 2003 meeting, NRMMC considered this particular issue in looking at future meeting dates. In particular, NRMMC requested that the NRMMC and EPHC Secretariats consider the feasibility of setting Ministerial Council meeting dates in February and July 2004 in shared Parliamentary recesses in order to facilitate 'back-to-back' meetings.
3. Holding the three Council meetings 'back-to-back' underscores the relationship between the Councils and minimises the travel demands on those Ministers attending more than one Council meeting. The 'back-to-back' principle requires meetings for EPHC and PIMC to be scheduled for the Thursday of each two-day Thursday/Friday Council meeting program. The need to meet on Thursdays creates a challenge in ensuring there are no conflicts with parliamentary sittings, a problem exacerbated by the need to set meeting dates 12 months in advance in order that bookings for venues may be secured.
4. Advance bookings are important given the venues required to service the meetings as well as the need to accommodate each 12 months the NRM Ministerial Council Community Forum held immediately prior to the NRMMC meeting.
5. For some States parliamentary sitting dates are only published in six month blocks, which makes it difficult to confidently set meeting dates 12 months in advance.
6. A particular issue for EPHC is that its meetings encompass meetings of the National Environment Protection Council which requires a quorum in order both to meet and to make decisions.
7. The NRM Secretariat, in collaboration with the EPHC Secretariat, examined various options for meeting cycles utilising information available for 2003. In evaluating these options a central issue has been to identify dates that are least likely to require last minute changes to venues. While this is important from the perspective of both Council

members as well as host jurisdictions, it is also important for related arrangements such as the NRM Community Forum which is likely to be held annually in conjunction with NRM Ministerial Council meetings.

8. The least worst option appears to be a April-May/October cycle, with the need for some flexibility given the short notice that accrues from the publication dates for some parliamentary timetables. EPHC considered these three options at its meeting on 23 May 2003 and resolved that the April-May/October cycle was the preferred option.

RESOLUTIONS

9. Council:

- (a) **NOTED** the difficulties with setting dates 12 months in advance when parliamentary sitting dates for some jurisdictions are available only for six month blocks;
- (b) **AGREED** to retain the existing April/October meeting cycle for Councils as the least worst option;
- (c) **NOTED** that the April/October meeting cycle was the preferred option identified by the Environment Protection and Heritage Council at its meeting on 23 May 2003; and
- (d) **AGREED** on this basis to meeting arrangements in 2004 as follows:

Standing Committees	11/12 March 2004	New South Wales
Ministerial Councils	15/16 April 2004	South Australia
Standing Committees	9/10 September 2004	Victoria
Ministerial Councils	7/8 October 2004	Victoria

Primary Industries Ministerial Council	MEETING NUMBER: 4
	LOCATION: PERTH
	DATE: 2 OCTOBER 2003
RESOLUTION	No: 4.17

Submitted to PIMC out-of-session

NATIONAL COORDINATION OF THE BAN ON ROUTINE TAIL DOCKING OF DOGS - UPDATE

1. Routine tail docking of dogs raises two concerns amongst animal welfare and veterinary associations– the ethical acceptability of non-therapeutic surgery on dogs, and the suffering caused by such an intervention in a normal dog. Conversely, the canine associations consider that the procedure is important for hygiene in some breeds (e.g. Old English Sheepdogs) and prevents continual tail damage in others (e.g. Weimaraner).
2. PIMC 2 (October 2002) agreed in-principle to the introduction of a nationally coordinated State and Territory ban on the routine tail docking of dogs for cosmetic (non-therapeutic) purposes. The main elements of a ban would be that:
 - (a) non-therapeutic tail docking of dogs born after a specified date would be prohibited; and
 - (a) therapeutic tail docking of dogs could only be carried out by a veterinarian.
3. At PIMC 3 (April 2003) New South Wales and the Northern Territory sought extra time to consider their positions, while other States/Territory confirmed their intentions to implement the ban. Some jurisdictions will make provision for prophylactic tail docking of young puppies from specified breeds, provided it is conducted by a veterinarian

RESOLUTIONS

4. Council:
 - (a) **NOTED** that Ministers **REAFFIRMED** their commitment to implement a nationally coordinated ban on the routine tail docking of dogs for non-therapeutic (cosmetic) purposes; and
 - (b) **NOTED** that the key elements of the ban will be that non-therapeutic tail docking of dogs will be prohibited and therapeutic tail docking of dogs will only be able to be carried out by a veterinarian; and
 - (c) **AGREED** that each jurisdiction will implement this as soon as practical and no later than 1 April 2004.

PRIMARY INDUSTRIES MINISTERIAL COUNCIL

Communiqué

PIMC 4

2 October 2003

Primary Industries Ministers from across Australia met in Perth on Friday 2 October 2003 to consider progress on issues impacting on Australia's primary production sector. This was the fourth meeting of the Primary Industries Ministerial Council. Specific issues dealt with by the Council are detailed below.

Drought and Climate Situation and Outlook

Ministers received an up-date from the Bureau of Meteorology on the climatic situation and noted that whilst there are early signs that climatic conditions are returning to more normal scenarios, some of Australia's principal agricultural regions continue to remain affected by drought. Low water storages levels also continue to be a problem in certain areas.

Ministers agreed that the Australian Government Minister for Agriculture Fisheries and Forestry will convene a national Roundtable in 2004 to discuss how future drought assistance can be made more efficient and effective. The Minister will also establish an independent panel to consult with stakeholders about drought assistance. This panel will provide a paper to the national Roundtable. Standing Committee will also develop a range of options for consideration by the Roundtable/independent panel. The outcome of the Roundtable will be considered by Australian Government and State/Territory governments.

Agricultural Trade Issues

Ministers noted that Free Trade Agreement negotiations with both the US and Thailand were fast approaching the scheduled dates for completion and discussed the state of play in the market access negotiations for agricultural products. Ministers also discussed the outcome of the WTO Ministerial Cancun meeting and the implications for the WTO negotiations on agriculture under the Doha Round. Despite the Cancun setback, Ministers emphasised the importance to agriculture and food exporters of Australia continuing to pursue reform of the multilateral trading system and working toward a completion of the Doha Round.

Ministers noted that a number of agriculture related WTO trade challenges would be starting the formal WTO dispute process shortly; including two challenges to Australia's quarantine controls. While it was far too early to tell whether these two disputes would have any implications for the Australian quarantine system, they reinforced the importance of sound science based quarantine arrangements to maintain Australia's relative pest and disease free status.

Ministers also noted recent agreements reached with China to progress cooperation on animal health and sanitary and phytosanitary issues including horticultural products, wheat and barley, which are important for Australian exports.

Biosecurity and Critical Infrastructure Protection

Council considered a range of important initiatives designed to better protect Australia's food chain (paddock to plate) from sabotage or accidental disruption. Council noted the cooperative approach being taken by the Australian Government, States and Territories and industry. It also noted that while currently there is no known threat to the food supply, these measures build upon the considerable work that has been done to date by Australian producers, food processors and governments that has underpinned the domestic and international confidence in Australian products.

FMD Simulation Exercise (Minotaur) Report to COAG

Council noted that the report on the outcomes of the national FMD simulation, Exercise Minotaur, held late last year, is in the process of being considered by senior officials of the Council of Australian Governments. Emergency prevention and preparedness work is continuing in all jurisdictions.

Bovine spongiform encephalopathy (BSE) - International Developments

Council considered a number of important animal health issues arising from the 'lessons learned' from the Canadian BSE incident. Given the significance of Australia's meat export industry, Council strongly agreed on the need to progress a range of measures immediately to strengthen BSE preparedness, including surveillance programs, auditing the effectiveness of ruminant feed bans, and pursuing appropriate amendments to international and domestic standards. Council also noted progress with the development of a Transmissible Spongiform Encephalopathy (TSE) Freedom Assurance Program.

National Livestock Identification and Tracing

Ministers noted that good progress is being made by States and Territories to implement the risk-based national approach to livestock identification and tracing for cattle and sheep, to be known as the National Livestock Identification System (Cattle) and National Livestock Identification System (Sheep) respectively. A number of States are in detailed consultation with their State-based industry organisations on the arrangements to apply in their jurisdictions. These arrangements include herd-based and flock-based identification and tracing mechanisms as well as individual (NLIS-approved) animal identification mechanisms for cattle.

A special Taskforce has been formed to oversight the national implementation strategy and is in the process of developing national performance standards for the systems and a national communication strategy.

While property of origin traceback systems are currently in place in Northern Australia, Queensland, Northern Territory and Western Australia are actively addressing issues of performance design to ensure system consistency and compatibility across these jurisdictions. The design of the national system for cattle in northern Australia will be finalised by 1 July 2004 and implemented by 1 July 2005.

Livestock Export Trade to the Middle East

Ministers share the concerns of all Australians about the welfare of livestock and agree that while the trade is a valuable alternative market for producers, it must be conducted in a humane manner. Ministers noted the measures implemented to mitigate livestock mortalities on voyages to the Middle East, since a spate of unacceptable mortality incidents in 2002.

Ministers discussed in detail the existing *Cormo Express* sheep shipment to the Middle East and noted community concern about the enforcement of animal welfare standards in the live sheep export industry. Council endorsed the need for the welfare of the sheep still on board to be paramount in resolving the existing situation. Ministers noted that the Australian Government would consult with the relevant jurisdiction if a decision was proposed to return the sheep to Australia and noted that the National Management Group has been activated.

A full investigation into the *Cormo Express* incident will be undertaken. Council also indicated its support for the establishment of an independent review of the live export industry to examine areas such as the adequacy of current regulatory arrangements for the live export trade.

Anthrax

Ministers noted that there is no unusual risk of anthrax from any source in the foreseeable future but this situation must be kept under review. Ministers agreed that Animal Health Australia, with technical input from the Animal Health Committee, would prepare a report on the full range of options to ensure sufficient vaccine is available when required and on encouraging the proper management, including prophylactic vaccination, of herds and flocks at risk from anthrax.

Layer Hen Welfare

Ministers noted progress across jurisdictions in implementing the range of layer hen welfare and egg labelling decisions taken by Council in 2000 and 2001.

Council has requested that the Primary Industries Standing Committee undertake an assessment of the costs and benefits of implementing the layer hen housing option originally agreed by the Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ) and a review of animal welfare benefits arising from the changes. Standing Committee will report back to Council at its next meeting in April 2004 and prior to the consideration of strategies to assist industry in making a transition to new standards.

Genetically Modified (GM) Crops

Ministers considered a range of issues related to the commercial introduction of genetically modified (GM) crops, after licensing for commercial release by the Gene Technology Regulator. These issues included government monitoring arrangements, market considerations in the light of the reports prepared by the Australian Government at the request of Council on the market experience and outlook for GM crops in Europe, Asia and other countries and on the trade and WTO aspects that need to be taken into account in Australia. Council also noted progress in industry arrangements and current international issues relating to the regulation of GM crops and food.

National Biosecurity System

Ministers were advised that the Australian Government, States and Territories have agreed to develop a proposal for a National Biosecurity System for managing the broader, longer-term biosecurity issues in relation to the management of animal, plant and marine pest and disease incursions. Council noted that a national approach to managing biosecurity issues would need to acknowledge the potential impact of pest and disease incursions on human health, the environment and natural resource management, as well as on primary production, and that, as a result, industry, health and environment agencies would need to be engaged on relevant issues. In this regard, Council agreed to put the proposal forward for consideration by the Natural Resource Management Standing Committee and Ministerial Council when they meet in April 2004.

Ministers noted that a national response has been agreed to the recommendations of the Review of Biosecurity at Plant Research Establishments and that the Plant Health Committee of Standing Committee is overseeing implementation of this response.

National Policy Framework for Co-investment in Afforestation and the Environment

Council agreed to work with the Natural Resource Management Ministerial Council on the framework within which private and public investment in plantations could achieve environmental and economic goals. The potential role of reforestation in cost effectively addressing a range of environmental issues in low to medium rainfall areas has long been recognised.

Australian Rural Women's Trade Initiative

Council endorsed a recommendation by Standing Committee for the Australian Bureau of Agriculture and Resource Economics (ABARE) to prepare a paper on the impacts of trade liberalisation on rural communities in developing and developed countries, and particularly on rural women in those countries.

The research will form the basis of a presentation by the Australian delegation to the IV World Congress of Rural Women to be held in South Africa in 2006.

National Ban on Tail Docking of Dogs

Ministers reaffirmed their commitment to implement a nationally coordinated ban on the routine tail docking of dogs for non-therapeutic (cosmetic) purposes. The key elements of the ban, to be implemented no later than 1 April 2004, will be that non-therapeutic tail docking of dogs will be prohibited and therapeutic tail docking of dogs will only be able to be carried out by a veterinarian.