



Australian Government

Department of Agriculture, Fisheries and Forestry

**PRIMARY**

**INDUSTRIES**

**MINISTERIAL**

**COUNCIL**

**Record and Resolutions**

**Thirteenth Meeting  
and Joint Meeting with the Natural Resource Management  
Ministerial Council  
Melbourne  
17 April 2008**

**RECORD AND RESOLUTIONS**

**OF THE**

**PRIMARY INDUSTRIES MINISTERIAL  
COUNCIL**

**THIRTEENTH MEETING**

**AND**

**JOINT MEETING WITH THE NATURAL RESOURCE MANAGEMENT  
MINISTERIAL COUNCIL**

**MELBOURNE, 17 APRIL 2008**

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**PRIMARY INDUSTRIES MINISTERIAL COUNCIL**

**THIRTEENTH MEETING**

**AND**

**JOINT MEETING WITH THE NATURAL RESOURCE MANAGEMENT  
MINISTERIAL COUNCIL**

**MELBOURNE, 17 APRIL 2008**

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**PRIMARY INDUSTRIES MINISTERIAL COUNCIL**

**THIRTEENTH MEETING**

**MELBOURNE, 17 APRIL 2008**

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**PRIMARY INDUSTRIES MINISTERIAL COUNCIL**

**THIRTEENTH MEETING**

**MELBOURNE, 17 APRIL 2008**

**COUNCIL PARTICIPANTS**

**AUSTRALIAN GOVERNMENT**

The Hon. Tony Burke MP

Minister for Agriculture, Fisheries and Forestry

**NEW SOUTH WALES**

The Hon. Ian Macdonald MLC

Minister for Primary Industries

**VICTORIA**

The Hon. Joe Helper MLA

Minister for Agriculture

**QUEENSLAND**

The Hon. Tim Mulherin MP

Minister for Primary Industries and Fisheries

**WESTERN AUSTRALIA**

Mr Martin Whitely MLA  
(representing The Hon. Kim Chance MLC)

Parliamentary Secretary to the Minister for  
Agriculture and Food

**SOUTH AUSTRALIA**

The Hon. Rory McEwen MP

Minister Agriculture, Food and Fisheries

**TASMANIA**

The Hon. David Llewellyn MHA

Minister for Primary Industries and Water

**NORTHERN TERRITORY**

The Hon. Chris Natt MLA

Minister for Primary Industry and Fisheries

**AUSTRALIAN CAPITAL TERRITORY**

Mr Jon Stanhope MLA

Minister for Natural Resources, Environment and  
Heritage

**OFFICIALS IN ATTENDANCE**

\*Denotes member of the Primary Industries Standing Committee

**Australian Government**

Mr Daryl Quinlivan

Dr Cliff Samson

Mr Tom Aldred

Mr Phillip Glyde

Mr Ian Thompson

Department of Agriculture, Fisheries and Forestry

Ms Donna Petrachenko

Department of the Environment, Water, Heritage and the Arts

Mr Ian Carruthers

Department of Climate Change

Dr Geoff Love \*

Bureau of Meteorology

Mr Neil Plummer

Ms Joanne Daly \*

CSIRO

**New South Wales**

Dr Richard Sheldrake \*

Department of Primary Industries

Ms Wendy Stamp

Ms Jennifer Ranson

**Victoria**

Mr Richard Bolt \*

Department of Primary Industries

Mr Peter Bailey

Dr Bruce Kefford

Mr Luke Wilson

**Queensland**

Mr Robert Setter \*

Department of Primary Industries and Fisheries

Mr Bruce Turner

**Western Australia**

Mr Ian Longson \*

Department of Agriculture and Food

Mr Paul Biggs \*

Forest Products Commission

**South Australia**

Mr Geoff Knight \*

Primary Industries and Resources SA

Dr Don Plowman

Mr Rob Freeman \*

Department of Water, Land and Biodiversity Conservation

Mr Andrew Johnson

Ms Julie Mrotek

**Tasmania**

Mr Kim Evans \*

Department of Primary Industries and Water

Mr Andrew Blakesley

Department of Infrastructure, Energy and Water

**Northern Territory**

Mr Rod Gobbey

Department of Primary Industry, Fisheries and Mines

**Australian Capital Territory**

Mr Hamish McNulty \*

Department of Territory and Municipal Services

**New Zealand**

Ms Heather Riddell

NZ High Commission

**Secretariat**

Ms Kate Woffenden

Ms Catherine Knight

Ms Dawn Manning

Ms Judi Lilley

## **PRIMARY INDUSTRIES MINISTERIAL COUNCIL**

**MELBOURNE, 17 APRIL 2008**

### **CHAIRMAN'S OPENING COMMENTS**

The Chairman, the Hon Tony Burke MP, Minister for Agriculture, Fisheries and Forestry, welcomed Ministers to the thirteenth meeting of the Primary Industries Ministerial Council.

Apologies were received from:

- . Kim Chance, Minister for Agriculture and Food, WA (represented by Martin Whitely MLA);
- . Jon Ford, Minister for Fisheries WA; and
- . Jim Anderton, Minister of Agriculture, Fisheries, Forestry and Biosecurity, NZ

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.1</b>

### **CLIMATE CHANGE INITIATIVES ARISING FROM THE MINISTERIAL FORUM IN CAIRNS**

1. At the Ministerial Forum in Cairns on 29 February 2008, Ministers agreed to work closely with industry in developing emissions management strategies and assisting industry to understand the potential effects of the emissions trading scheme (ETS). Ministers also requested that further work be undertaken on:
  - the current process for the design and implementation of the ETS;
  - a paper outlining mitigation options for the sector and state of play on relevant research and development;
  - development of a communication strategy based around a work program for preparing the sector for the ETS;
  - climate change policy responses in Australia's key trade partners and possible competitiveness issues; and
  - review of Social Impacts.
2. The following is an overview of emissions trading and the key issues for the primary industries sectors.

#### **Australian Government Climate Change Policy**

3. In developing the pillars of its climate change policy, the Australian Government will draw on many sources of advice to achieve the best quality policy outcomes and minimise implementation risks. This will involve consultation with state and territory governments, including through the COAG Working Group on Climate Change and Water.

#### **Design and Implementation of the Emissions Trading Scheme**

4. The Australian Government has released a timetable for finalising the design and implementation of the ETS. The findings by the Task Group on Emissions Trading, the National Emissions Trading Taskforce and the Garnaut Review will inform the design of the ETS and the development of a Green Paper by July 2008.
5. The Australian Government has not announced whether agriculture and forestry will be covered by the ETS but has committed to a comprehensive consultation process on the question of its inclusion and a possible timeframe. However, it is unlikely that agriculture will enter the scheme from the commencement in 2010. The timeline for inclusion of forestry is also uncertain.

### **Emissions Trading and Primary Industries**

6. It is generally acknowledged that emissions trading will lead to higher input costs for agriculture and forestry and if included in the ETS producers will have to manage emission liabilities. Therefore key issues for the sector include how best to measure emissions for agriculture and forestry and options for the management of emissions.
7. Current methodologies have not yet been progressed to the point of comprehensive property level measurement and accounting of non-carbon dioxide emissions. The development of an accounting system that provides incentives for individual land owners to actively manage emissions (other than by reducing production levels) remains a challenge.
8. While it has not been decided whether agriculture and forestry will be covered by the ETS, it is realistic to expect that the sector will need to contribute to Australia's efforts to reduce emissions. The latest Garnaut Review report on emissions trading proposes that agriculture and forestry be included as soon as practicable. It acknowledges that full inclusion of agriculture and forestry in an ETS will require issues to be resolved regarding measurement and monitoring of greenhouse gases. One option, to provide certainty to these sectors, is to agree a date for inclusion up-front and then identify a process for resolving these issues. In any case, governments should build on current efforts to assist the sector to develop productive responses to managing emissions.
9. All PISC agencies and rural R&D corporations, working through Land and Water Australia, has recently developed the Climate Change Research Strategy for Primary Industries (CCRSPI) under the auspices of the Council. CCRSPI provides a useful platform for governments and industry sectors to develop and coordinate well targeted research and development plans for specific sectors.

### **Emissions Trading – Opportunities for Primary Industries**

10. There are also a number of potential opportunities for the sector created by the introduction of the ETS. This includes the potential to earn revenue/better manage financial exposure through the sequestration of carbon in forest. It is important that governments analyse the options and next steps to ensure the sector is well informed of the commercial realities in this area. An ETS may also improve the competitiveness of biofuels. Further, the Australian Government, through its *Australia's Farming Future* Initiative will investigate how better soil management can be part of Australia's response to climate change.

### **International Trade Implications**

11. Introducing an ETS ahead of other key competing countries may impact on the competitiveness of some sectors of the Australian economy. New Zealand is the only major trading competitor that has announced an intention to include agriculture in their ETS by 2013. Forestry has been included in the New Zealand scheme since its introduction on 1 January 2008. The European Union has not included agriculture in its scheme.
12. The DCC will be assessing competitiveness challenges facing various sectors of the economy, in particular, those sectors that may be 'at risk' of carbon leakage (for example, where production shifts offshore without any assurance of an environmental benefit). The sectors within agriculture will need to be assessed against this criterion.

13. The definition of ‘at risk’ sectors has not been determined. Some key issues that will need to be resolved include: thresholds for emissions-intensity of production; the extent to which indirect emissions are incorporated in determining such thresholds; the period of time for which assistance will be provided; the extent to which relevant carbon constraints exist in major trade competing countries; and, the degree to which sectors can effectively pass on cost increases.

#### **Consultation – Communication on ETS with primary industries**

14. Consultation with the agricultural industry will commence with a Ministerial Agriculture Roundtable to be chaired by Senator Wong and Minister Burke. An expected outcome of the Roundtable is a subsequent ongoing process chaired by officials. DCC will also hold ongoing consultation with other industry representatives including forestry (see [Annex A](#)).
15. The Australian Government has directed that the design and implementation of the scheme will be led by the DCC and that consultation with the states will occur through fora such as the COAG Climate Change and Water Working Group process. There is no formal role for the PIMC and NRMMC to consider and consult on emissions trading design and implementation issues unless requested to do so by COAG. The Green Paper will provide options and a preferred basis for wide consultation with the various stakeholders, including with primary industries.
16. However, in addition to the formal consultation processes, there is a complementary role for primary industry ministers (and agencies) to reinforce consistent key messages with the primary industry sectors in relation to emissions management. It will also be important for the primary industry agencies to work with DCC to develop an information campaign that can be rolled out following an announcement by the Australian Government on coverage.

#### **Adaptation**

17. The COAG adaptation sub-working group has been tasked with developing an adaptation plan by the end of August 2008 which includes clear milestones, timelines, responsibilities and resource requirements to accelerate implementation of the COAG National Climate Change Adaptation Framework.
18. Discussion about future directions for adaptation to climate change in biodiversity, agriculture, coasts, water and natural resource management will:
  - draw on national processes including those of the Garnaut Climate Change Review;
  - consider current actions under the National Climate Change Adaptation Framework, including the development of new action plans and review of existing climate change action plans and establishment of the Climate Change Adaptation Research Facility; and
  - draw on key early messages and knowledge gaps identified from the Natural Resource Management Ministerial Council climate change priority actions.
19. The Australian Government has also committed to a \$130 million package under Australia’s Farming Future to address the impacts of climate change on the primary industries sector. This initiative will include a comprehensive communication strategy

to ensure the sector is up to date with the latest developments in climate science and adaptation and mitigation research.

### **Review of Social Impacts**

20. The Australian Bureau of Agricultural and Resource Economics (ABARE) is currently undertaking economic vulnerability assessments for key primary industry sectors and regions. This work could be expanded to include an analysis of social impacts. To achieve this ABARE would work closely with other Australian, state/territory government agencies.

### **DISCUSSION**

21. In relation to the Australian Government's emissions trading scheme, members requested that the fisheries sector be included in the consultative process.
22. Members requested that an assessment and analysis of the benefits and costs of scheme coverage for the agriculture, forestry and fisheries sectors by PISC senior officers and led by Victoria, would be considered by PIMC prior to reporting to the COAG Climate Change and Water Group.
23. Members also raised the issue of possible involvement in the proposed roundtable discussions in Phase 1 of the consultation with stakeholders.

### **RESOLUTIONS**

24. Council:
- (a) **NOTED** that in relation to the emissions trading scheme (ETS):
    - the Australian Government Department of Climate Change (DCC) will lead an extensive consultation process with industry, including agriculture and forestry in finalising the key design features of the ETS in 2008 and developing legislation for passage in 2009; and
    - the Australian Government will consult with the states through different fora including the recently established Council of Australian Governments (COAG) Climate Change and Water Working Group;
  - (b) **REQUESTED** that the Australian Government include the fisheries sector in the consultative process in the development of their emissions trading scheme;
  - (c) **AGREED** that following a decision on coverage of the ETS (anticipated in late 2008), primary industry agencies in conjunction with the DCC prepare an information program for the sector and that PISC form a working group to develop this program;
  - (d) **AGREED** to advance:
    - strategic issues for primary industries with the planned introduction of the national emissions trading scheme in 2010; and
    - the nearer and longer term strategic issues for primary industries in adapting to the impacts of climate change;

- (e) **REQUESTED** Standing Committee to undertake as a priority an economic and industry assessment and analysis of the benefits and costs of scheme coverage for the agriculture, forestry and fisheries sectors; the extent to which emissions reductions in these sectors can efficiently and cost-effectively contribute to achieving emissions reduction targets; which particular industries these costs will be borne by; and identification of a suitable accountability level within these industries. This assessment will also need to assess the timeframe and costs for research to develop accurate emissions data for each separate industry; and development of suitable accounting and reporting systems. The assessment would be provided to PIMC at a relevant meeting prior to reporting to the COAG Climate Change and Water Group for consideration as part of its overall work on the national emissions trading scheme;
- (f) **AGREED** to build upon the vulnerability assessments being conducted by ABARE on regional and sectoral primary industry vulnerability (by including social indicators along with economic indicators). This work will be led by ABARE and involve other Australian Government and state/territory agencies;
- (g) **AGREED** to adopt the Climate Change Research Strategy for Primary Industries as a guide for developing and collaborating on research and development plans;
- (h) **NOTED** that other policies and programs will aid adaptation efforts in the primary industry sectors for example: improved water trade; irrigation technology and technologies to increase water use efficiency; land use planning reform; and reform of drought assistance measures;
- (i) **NOTED** that through the Australian Government's Australia's Farming Future initiative, ongoing CSIRO and BOM activity and collaboration with state/territory governments, up-to-date information will be communicated to the primary industry sectors, on climate forecasts and adaptation measures relevant at the local and regional levels and on managing emissions;
- (j) **NOTED** the importance and urgency of the analysis by ABARE currently being progressed on climate change policies of Australia's competitors, the impacts of climate change on their agricultural production and the implications for our competitiveness; and
- (k) **NOTED** the need for regular liaison with New Zealand as it confronts similar issues with agriculture covered by its ETS from 2013.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.2</b>

### **DROUGHT POLICY IMPROVEMENT – FUTURE DIRECTIONS**

1. At the Primary Industries Ministerial Forum held on 29 February 2008, Ministers agreed that current approaches to drought and Exceptional Circumstances (EC) are no longer the most appropriate in the context of a changing climate. Ministers agreed that drought policy must be improved to create an environment of self-reliance and preparedness and encourage the adoption of appropriate climate change management practices. Ministers also agreed that the rules for those producers currently receiving federal drought assistance as a result of EC events would not be changed.
2. Drought policy has been reviewed many times and there is broad consensus on the need to move towards improved drought preparedness and risk management. However, drought policy improvement has been difficult due to the impact of the current drought, including social and community impacts and a lack of common understanding among all stakeholders of the costs of current assistance measures.
3. To help with moving to an improved drought policy, Ministers agreed to undertake reviews in the following six areas:
  - relevant social dimensions and policy responses to drought and exceptional circumstances;
  - the provision of accessible social welfare support, including eligibility criteria;
  - the effectiveness of business support payments;
  - the effectiveness of financial risk management strategies, including Farm Management Deposits;
  - the effectiveness of preparedness policies; and
  - cost-benefit analysis of state and federal government drought assistance.
4. It was proposed that the six review topics agreed by Ministers at the Ministerial Forum be rationalised into three broad assessment topics that cover the physical, social and economic dimensions of drought. The three assessments would include:
  - an assessment of what a changing climate means for drought in Australia and the concept of exceptional circumstances as a one in a generation event (physical assessment);
  - the impact of drought on farm families and rural communities and appropriateness of current government drought social support (social assessment); and
  - the appropriateness of current government drought business support and the impact on individual and industry performance and productivity (economic assessment).

5. While Ministers did not specify a review of the physical elements of drought, the scientific basis for increasing climate variability and change is directly linked to drought and EC policy. The physical assessment will therefore provide the underpinning evidence to inform debate and substantiate the effect of climate change on farmers through impacts such as increasing temperature, decreasing rainfall and other projected climate changes. It will establish a common base-line of the future climate.
6. The review process will also help to establish a base-line of information from which jurisdictions can move forward and determine appropriate policy and program responses to achieve improved drought preparedness and risk management.
7. The Australian, state and territory governments have, over a number of years, completed several reviews of drought and EC policy. Individual jurisdictions will contribute their own research and policy responses through submissions to each assessment. There has also been some academic interest in drought and rural policy. This work should be drawn on in completing the assessments.
8. A key component of the drought policy improvement process will be consultation with key stakeholders. The consultation process will help to establish the need for change, identify solutions and achieve consensus on the way forward.

#### **Physical assessment**

9. EC assistance was intended to be for rare and severe events that are beyond the ability of farmers to manage, typically events that occur one in 20-25 years. An EC declaration was designed to be short term – normally up to two years. The use of the one in 20-25 year event criteria for EC declarations is calculated on 100 years of historic rainfall records and does not reflect the current environment of increasing climatic variability, rising temperatures, declining rainfall and more extreme climatic events. CSIRO and the Bureau of Meteorology are providing significant input to the Australian climate change projections and have amassed a large body of research in recent years. They would be appropriate research organisations to conduct the physical assessment specifically looking at the concept of exceptional climatic circumstances. It will be important that information and expertise from each jurisdiction is drawn upon in enabling this assessment.

#### **Social assessment**

10. The widespread nature of the drought and its duration has affected a significant number of people. The serious social impacts of drought include the erosion of income for farms and small businesses, increasing rural poverty, increased work loads (both on and off farm), the need to seek alternative income, health (including mental health) and welfare issues, service access or overload on service providers.
11. The social assessment could include the social dimensions of the impacts of drought on farm families and rural communities and the appropriateness, effectiveness and efficiency of government (Commonwealth, state and territory) social support services. While the effectiveness of drought business support would be beyond the scope of this assessment, the interaction between improved farm and industry performance on social outcomes may be an important consideration.

12. The social assessment could be led by a panel of well recognised and eminent Australians with a background in rural and regional issues, coupled with expertise in social sciences, rural health, welfare and community services. For cost and logistical purposes, the panel membership would need to be limited in size but should include representatives from geographically diverse areas.
13. Analytical support for this assessment could be provided by the Australian Bureau of Agricultural and Resource Economics and the Bureau of Rural Sciences. Consultation with other relevant researchers and rural and regional stakeholders and representative organisations would also form part of the assessment. Jurisdictions would be invited to participate in the consultation process and provide input to the assessment.
14. The Australian Government Department of Agriculture, Fisheries and Forestry (the Department) would provide Secretariat support to the panel, including organising consultative forums. The Department would also meet the costs of the assessment.

#### **Economic assessment**

15. To cope with the effects of drought, farmers and small businesses have access to a range of business support measures. However, the ready availability of government support reduces the incentive for farmers to better plan and prepare for drought. Support may be delaying adjustment and distorting the business decisions that farmers might otherwise make to pursue productivity gains. Similarly, drought preparedness tools such as Farm Management Deposits – which were originally designed as a risk management tool – are not being drawn down during drought years as was the original policy intent.
16. The economic assessment could report on the appropriateness, effectiveness and efficiency of the Australian, state and territory governments' support to farms and rural small businesses during periods of stress and change such as drought. The assessment could also identify government support measures that would increase individual and business self-reliance and preparedness in rural and regional communities.
17. The Productivity Commission is the Australian Government's principal independent review and advisory body on microeconomic policy and regulation and could be engaged to undertake the economic assessment. The Commission could conduct a comprehensive inquiry encompassing wide consultation, including public submissions and hearings. There is capacity for an associate commissioner to be appointed to the inquiry to ensure the Commission has access to relevant expertise. The Commission could draw on research by jurisdictions and others in undertaking this assessment.

#### **Timing, management and transition arrangements**

18. The three assessments could commence in May 2008 and progress concurrently. The physical assessment final report could be delivered in June 2008 and the social assessment report in August 2008. An interim report for the economic assessment could be provided in September 2008, with a final report in December 2008 or January 2009. Improvements to drought policy could be incorporated into jurisdictions' 2009-10 Budget deliberations where appropriate, with a strategy for the transition developed so that improvements to drought and EC policy take effect in July 2009.

19. It is proposed that the Standing Committee oversee the implementation of the three assessments and assist in the implementation of the drought policy improvement process, including:
  - collating drought-related social and economic reports, research and studies to inform the proposed reviews;
  - considering the assessments' recommendations and reporting to Council; and
  - developing a strategy to manage the transition to an improved drought policy.
20. Standing Committee could do this through either the existing advisory committee, Industries Development Committee, or by establishing a special purpose high level working group.
21. Once the outcomes of the assessments are known, there will be a considerable body of work for Standing Committee in formulating recommendations for Council's consideration on an improved drought policy and the process for transitioning to such a policy.
22. A key component of the social and economic assessments will be the opportunity for consultation with key stakeholders prior to the completion of the reports. Meetings involving face-to-face consultation, as well as requests for written submissions will be incorporated into the respective work plans.

## DISCUSSION

23. Members were advised that much of Australia remains drought declared and the evidence of long term climate change is increasingly clear.
24. Minister Burke outlined the tight timeframe for the drought and Exceptional Circumstances review process and advised that he would be writing to ministers immediately seeking their contributions and concerns in the drought-related physical, social and economic reports.

## RESOLUTIONS

25. Council:
  - (a) **ENDORSED** the process for the review of drought and Exceptional Circumstances policy, including a physical assessment by CSIRO and the Bureau of Meteorology, a social assessment by an expert panel and an economic assessment by the Productivity Commission;
  - (b) **AGREED** to Standing Committee overseeing the implementation of the drought and Exceptional Circumstances review process;
  - (c) **NOTED** the opportunity for jurisdictions to contribute drought-related physical, social and economic reports, research and studies to inform the proposed assessments;

- (d) **NOTED** that Standing Committee will report to Ministerial Council in November 2008 on the progress of the review process; and
- (e) **NOTED** that the issue of exit packages for agricultural producers facing barriers to exit, would be considered as part of the review of similar drought assistance measures.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.3</b>

### **AGRICULTURAL PRODUCTIVITY – ISSUES AFFECTING GROWTH**

1. At the Primary Industries Ministerial Forum held on 29 February 2008, Ministers agreed that continued productivity growth is of fundamental importance to the agriculture and food sectors.
2. Ministers identified the influences on agricultural productivity growth at the forum as:
  - the regulatory framework;
  - research and development and access to technologies;
  - water management;
  - training and education;
  - skills and labour supply, including retaining and attracting young people;
  - biosecurity;
  - infrastructure;
  - scale of production; and
  - land use intensity.
3. Ministers tasked the Primary Industries Standing Committee with identifying which key priorities would benefit from national action and developing work plans including timelines on how to meet the challenges in these priority areas.
4. Ministers also agreed to collate data on the full value chain of agricultural production in the economy and assess the productivity opportunities through the value chain. A separate paper has been provided to the Primary Industries Ministerial Council addressing this issue.
5. Primary producers face a range of challenges to increase productivity and maintain and increase the profitability and sustainability of their businesses. These challenges have now become even greater as the impacts of climate change will have a further detrimental effect on improving agricultural productivity growth. While productivity growth has been good over the past several decades, there are signs that it is now slowing. Targeted and appropriate government intervention may contribute to increasing productivity and maintaining the competitive position of Australian agriculture and food in the global marketplace.
6. The primary responsibility for productivity improvement lies with individual businesses and industry. In considering a role for government, targeting interventions so as to support and facilitate industry action and the operation of the market is a critical issue.

The most effective role for government is likely to lie in areas where market failure exists such as in removing impediments, streamlining regulation, providing information or acting in areas such as biosecurity or training where spill-overs and public benefits can be identified.

7. The Ministerial Council is already addressing a range of issues which directly impact on productivity growth including drought, climate change, research and development and biotechnology through genetically modified organisms. The Beale review of quarantine and biosecurity and the development of bodies such as Infrastructure Australia will address other productivity growth issues either directly or indirectly.
8. In March 2008, Standing Committee considered the influences on agricultural productivity growth identified by Ministers in February 2008. The Standing Committee identified four key priority areas where further coordinated government action, to improve productivity, would be of most benefit. These key priority areas are:
  - workforce
  - skills and training
  - land use intensity
  - water management.
9. In identifying these key priorities, the Standing Committee considered: the relative value or importance of the issue while taking into account available resources; the value that coordinated action could bring compared to jurisdictional or bilateral action; relevant activities being pursued through other mechanisms; and where Ministerial Council involvement and action could assist in achieving positive outcomes.
10. The Standing Committee will monitor future opportunities to improve productivity growth in all of these areas and will identify a suitable mechanism for intervention if coordinated government action is appropriate at a later time. The Standing Committee will bring any opportunities to the attention of the Ministerial Council in October 2008.
11. In relation to the four key priority areas identified by the Standing Committee as benefiting from coordinated government action, Standing Committee has:
  - developed a work plan, including a timeline, to address the workforce and skills and training priority issues;
  - tasked the Industries Development Committee with identifying where collaborative national action could occur to address land use intensity issues. This requires further consideration given this is largely a state and local government matter. A work plan to address where productive action would be possible will be provided to the Ministerial Council in October 2008; and
  - agreed that water management is primarily the responsibility of the COAG water working group, but recognises that it directly impacts on agricultural productivity. Given considerable work is already occurring in this area, further work by the Ministerial Council is not appropriate at this time. However, due to the importance of this issue, the Standing Committee will provide a ‘watching brief’ to the Ministerial Council in October 2008.

### **Workforce Skills and Training**

12. Increasing the availability of labour is a major priority for the agriculture and food sector. In addition, farm and food businesses are becoming increasingly sophisticated, requiring a highly educated and skilled workforce. For agriculture, attraction of both skilled and unskilled labour is made more difficult by the industry having comparatively low wages, difficult working conditions and few opportunities for professional development.
13. While, in many cases, the responsibility for labour and skills issues lies with different portfolios in each jurisdiction and much of the responsibility for addressing labour and skills issues in agriculture lies with employers and industry organisations, the Standing Committee agrees that there are opportunities for coordinated government action, through the Ministerial Council.
14. To identify the major workforce and skills and training issues as well as areas for coordinated government action, it is proposed a subcommittee of the Industry Development Committee be established. This subcommittee would delineate which issues need to be addressed by industry and which will benefit from government involvement. While the workforce and skills and training issues have been initially considered together, it is expected that the subcommittee will consider these as separate issues and will provide advice on each issue to the Ministerial Council.
15. Work would commence in May 2008 and involve consultation with key stakeholders in identifying key issues and the role for governments. A progress report would be provided to the Ministerial Council in October 2008 with a final report, including recommendations provided to the Ministerial Council in April 2009.
16. A work plan, including a timeline and reporting arrangements is at [Annex A](#).

### **Land use intensity**

17. Land use intensity is an important challenge in maintaining and improving agricultural productivity. Research by the Australian Bureau of Agricultural and Resource Economics has identified management capacity as a key driver of productivity improvement.
18. It is proposed that the Industries Development Committee be tasked with considering how a national collaborative approach could address land use intensity issues. Given this issue is largely the responsibility of state and local governments, identifying areas where coordinated government action could occur requires further consideration.
19. The Industries Development Committee will consider issues such as the impediments to improving the management of land to improve productivity; planning for the environmental consequences of more intensive land use; and responding to community perspectives on the increasing land use intensification in peri-urban areas.
20. A report will be provided to the Standing Committee in September 2008. Should the Standing Committee agree that coordinated government action is appropriate, a draft workplan and timeline on how to address land use intensity issues will be provided to the Ministerial Council in October 2008.

### **Water management**

21. Improved water management is an important issue for irrigated agriculture, given the range of challenges facing many farmers such as low rainfall, reduced inflows and risks such as climate change. There is an extensive whole of government water reform agenda underway in this area, including investment by governments in policies and initiatives to plan, secure and use water more efficiently.
22. Water is primarily the responsibility of the COAG water working group and the National Water Initiative Committee. The Natural Resource Management Ministerial Council also takes great interest in the outcomes of these groups. The Standing Committee has agreed that while further work by the Ministerial Council on water management is not suitable at this time, that a ‘watching brief’ on water would be appropriate, given the importance of water as an input to farm production.
23. The watching brief is likely to cover the following topics:
  - Water reform in the Murray-Darling Basin, including the outcomes of the Council of Australian Government meetings and the development of an Intergovernmental Agreement for Murray-Darling Basin Reform;
  - The Australian Government’s water programs, such as the water entitlement purchasing tender processes, to buy water from willing sellers; and
  - An update on some of the activities underway as part of the National Water Initiative, that relate to and have implications for the primary industries sector, such as water planning, markets, trading and pricing.
24. The watching brief will allow the Standing Committee to identify future opportunities, if appropriate, where water management issues may be addressed by the Ministerial Council. The Standing Committee will provide a watching brief to the Ministerial Council in October 2008.

### **DISCUSSION**

23. It was agreed that New South Wales lead the work on land use intensity and planning issues in relation to agriculture productivity growth. Members also agreed to invite the Australian Food Industry Skills Council to provide input into this work.
24. It was emphasised that work undertaken by PISC will be aimed at reviewing the effectiveness of and increasing the awareness and uptake of, existing government programs.

### **RESOLUTIONS**

25. Council:
  - (a) **AGREED** to the key priority areas, identified by Standing Committee, as suitable for coordinated government action to improve agricultural productivity growth;
  - (b) **ENDORSED** the work plan and timetable for progressing coordinated government action on agricultural workforce and skills and training issues;

- (c) **AGREED** that Standing Committee further consider land use and planning issues in relation to agricultural productivity growth; and
- (d) **AGREED** that a ‘watching brief’ on water management and its impacts on agricultural productivity growth should be provided to Council in November 2008.

**ANNEX A:** Workplan – agriculture and food sector workforce and skills issues

## WORKPLAN – AGRICULTURE AND FOOD SECTOR WORKFORCE AND SKILLS ISSUES

<p><b>AIM</b></p>
<p>To identify areas of work for coordinated government action on workforce and skills and training issues to assist in improving productivity growth in the agriculture and food sector and, in doing so, invite the Australian Food Industry Skills Council to provide input.</p>
<p><b>BACKGROUND</b></p>
<p>On 12 March 2008, CEOs considered the nine priority issues identified by Ministers at the 29 February Primary Industries Ministerial Forum and agreed that workforce and skills and training issues in the agriculture and food sector are two areas where there is potential for the Primary Industries Ministerial Council (PIMC) to add value.</p>
<p><b>ISSUE</b></p>
<p>Increasing the availability of labour is a major priority for the agriculture and food sector. In addition, farm and food businesses are becoming increasingly sophisticated, requiring a highly educated and skilled workforce. For agriculture, attraction of both skilled and unskilled labour is made more difficult by a general perception (and in some cases reality) of the industry having comparatively low wages, poor working conditions (long hours outside and involving heavy work) and OH&amp;S performance and lacking professional development opportunities.</p> <p>Work is being conducted by governments at all levels to address rural and regional skills shortages. In many cases, responsibility for labour and skills issues lies with different portfolios in each jurisdiction. The <i>Queensland Skills Plan</i> and the Victorian Government's <i>Community Regional Industry Skills Programme</i> both include key initiatives to address skills shortages and strengthen employment and industries in rural and regional Australia. At the Commonwealth level, the Department of Education, Employment and Workplace Relations (DEEWR) develops and implements policies aimed at training, education and skills development, assisting unemployed people into work and helping employers to fill job needs through labour recruitment and retention programmes. The Department of Immigration and Citizenship (DIAC) has two temporary migration programs that have benefited agriculture, fisheries and forestry employers – the Working Holiday Maker program and the Temporary Business Long Stay (sub-class 457) visa.</p> <p>Australian and state and territory primary industries departments are supporting an industry driven initiative to establish a company – Primary Industries Education Foundation – to coordinate the promotion of agriculture in schools.</p> <p>Work undertaken for PIMC by PISC will be aimed at reviewing the effectiveness of; and increasing the awareness and uptake of existing government programs addressing labour and skills shortages in primary industries and increasing the adoption by industry of best practice labour attraction and retention strategies.</p>

<b>KEY STAKEHOLDERS</b>
National Farmers' Federation, Australian Food and Grocery Council, DEEWR, DIAC, state and territory governments.
<b>COST</b>
The initial work, including consultation, is unlikely to have financial implications beyond the commitment of time and staff. However, implementation of the recommendations of the subcommittee is likely to require funding. In particular, the implementation of any communication strategy will require funding.
<b>TIMETABLE</b>
May 2008 – subcommittee to be established and consultation commences. October 2008 – progress report to PIMC. April 2009 – final report to PIMC.

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<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
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<b>RESOLUTION</b>	<b>No: 13.4</b>

**NATIONAL PRIMARY INDUSTRIES RESEARCH, DEVELOPMENT & EXTENSION  
(RD&E) FRAMEWORK – FUTURE DIRECTIONS**

1. RD&E in primary industries is a key factor for increasing productivity and ensuring sustainability. If Australia's primary industries are to improve their competitive position and sustainability, they cannot afford a fragmented or duplicative RD&E system. RD&E resources need to be more focussed and used more efficiently, effectively and collaboratively.
2. PIMC 8 (April 2005) endorsed the PISC concept of 'National R with Regional D&E'. The concept recognises that basic and strategic research (R) can be provided from a distance, with regional adaptive development (D) and local extension (E) required to improve the uptake of innovation by industry. Subsequently, PIMC 10 (April 2006) agreed to a set of principles to facilitate further cooperation between agencies and industry for improving the efficiency and effectiveness of the national RD&E capability.
3. The notion of collaborative RD&E amongst agencies is now well established, however, to date there has not been a mandate to implement a broad-based national agenda in a structured way or to a specified timeframe.
4. At PIMC 12 (April 2007) Ministers discussed the potential need for a broader national plan to provide a more comprehensive, structured approach and to accelerate the program of work.
5. The new Australian Government supports the current co-investment funding formula for investment in rural research and will invest an extra \$15 million in climate change research. The Government intends to establish a coordinating Rural R&D Council to ensure more effective multi-sector facilitation and prioritisation of RD&E investment. The Council will develop an Australian Strategic Rural R&D Investment Plan with a national reporting framework and detailed performance measures against an agreed list of national priorities.

**The Future Shape of National Primary Industries RD&E**

6. The research capability held by PISC agencies is focused on their strategic priorities and evolves as priorities change. As a consequence, PISC agencies hold different and complementary research capability. Frequently there is a strong research capability in one jurisdiction that is supported by capability in others.

### **Sector Analyses**

7. The PISC R&D Subcommittee is developing a number of sector strategies in partnership with the relevant RDC. Some clear trends are already evident from this work. Sectors can be grouped into three broad categories, distinguished by the sector distribution, the distribution of research capability and the nature of the D&E capability, as follows:
  - (a) Localised: This is typically an industry distributed in a relatively discrete area, which is supported by R capability close at hand and where D&E is also provided locally.
  - (b) Distributed: This is an industry distributed widely across much of the nation, supported by a number of R capabilities (usually linked) with D&E provided in each relevant jurisdiction.
  - (c) Cross-sector: This research capability benefits all industries and delivers benefits across the whole nation and is supported by a number of linked specialised capabilities with D&E provided in each jurisdiction.

### **Key Considerations**

8. In general, jurisdictions favour maintaining capability that supports their strategic priorities. A range of emerging priorities (typically cross-sector) and budget pressures prohibit the retention of less important capability. Decisions are required to ensure adequate coverage of research capabilities in the future and access for primary producers across Australia to the collective research outputs of PISC agencies.
9. It is also clear that if the substantial resources invested by government and industry in research are managed cooperatively, a more efficient, effective and comprehensive capability would be possible. Effective implementation of this change program needs to proceed within an agreed national RD&E framework, the key elements of which are outlined below.

### **A Comprehensive National Primary Industries RD&E Framework**

10. This Framework requires analyses of the sector and cross-sector components of the national primary industries RD&E capability relative to modern government and industry priorities, including agency plans for investment.
11. The Framework would therefore:
  - (a) list sectors and cross-sector areas to be included and relevant collaborators and stakeholders such as RDCs and industry bodies;
  - (b) outline the broad process to develop sector and cross-sector analyses and national RD&E collaboration strategies;
  - (c) outline expected timeframes, resource requirements, implementation issues and risks;
  - (d) outline the agreements that would be necessary to ensure the national system functions effectively;
  - (e) outline the “outputs and outcomes” of sector and cross-sector analyses and collaboration strategies and their utility in guiding PISC/PIMC, RDC and industry decision making; and
  - (f) outline a communication strategy to facilitate stakeholder understanding of the issues and their engagement in the process.

12. The outcomes achieved by executing the Framework would include:
  - (a) agencies will retain/build capability in fields strategically important to them and, at the same time, cooperate with others to build theirs to provide for a more comprehensive national research capability;
  - (b) research capability will become more collaborative, specialised, have larger critical mass and perhaps be less distributed across the nation. Efficiency and effectiveness of RD&E will be markedly improved overall, although some additional costs could be incurred providing national linkages and to support delivery of regional development and local extension; and
  - (c) the national research capability would be the ‘discovery’ component of a wider innovation agenda that spans and supports development and extension. As a consequence, to facilitate rapid uptake of new technologies, research developed in one area of the country would be available in other regions where the industry is located.
  
13. PISC experience to date has provided an understanding of the key success factors in developing sector and cross-sector strategies, which include:
  - (a) Authorised Environment – provided by PIMC via its principles and agreements endorsing collaborative efforts.
  - (b) National Leadership – a skilled representative group providing national leadership, stakeholder engagement, advocacy and issues management.
  - (c) Strategic Research, Development and Extension Plan – a forward-looking strategic plan for research agreed by the parties as a basis for co-investment and the assessment of the capability needed to deliver it.
  - (d) Change Plan – an agreed plan which progressively modernises the research capability consistent with the strategy.
  - (e) Stakeholder Engagement – which facilitates the understanding and acceptance, as far as possible, of all relevant parties (industry, government, community, staff, other research providers) of the change plan and the benefits that flow from it.
  - (f) Effective Uptake of Innovation – Provided by local development and extension services close to industry and regional communities.

### **Implementation Considerations**

14. The Framework raises a number of issues to be addressed and agreed by the parties, such as:
  - (a) How will industries in different jurisdictions gain access to research generated nationally?
  - (b) How will this be resourced?
  - (c) How will IP be managed?
  - (d) How will capability gaps be addressed?
  - (e) What will the reporting and oversighting arrangements be?
  - (f) How will industry stakeholders across Australia have input to priority setting?
  
15. There will be a critical role for PIMC and PISC to oversight the further development of the national research capability and establish the necessary agreements to make it work effectively.
  
16. In the priority cross-sectoral area of climate change all jurisdictions and the rural research and development corporations have been jointly developing a Climate Change Research Strategy for Primary Industries (CCRSPI). CCRSPI has demonstrated the

capacity and benefits of a national collaborative approach. The aim of CCRSPI is to inform a comprehensive and coordinated response to climate change by all primary industries. Continuing this project including the detailed development of investment plans and mechanisms and where agreed important and urgent investments will assist in focussing and more efficiently undertaking climate change RD&E.

## DISCUSSION

17. Members were advised that New Zealand was keen to find ways of collaborating with Australia on the issue of climate change research, particularly with regards to land use and agricultural research.
18. Members commended the work to date of PISC, RDCs and industries.

## RESOLUTIONS

19. Council:
  - (a) **NOTED** the development of the National RD&E Framework (the Framework) to date;
  - (b) **CONFIRMED** that in response to the agreement of Ministers (Cairns, February 2008) to broaden the scope and accelerate the development of the Framework, a report at PIMC 14 (November 2008) will provide:
    - (i) an outline of the expanded scope of the Framework;
    - (ii) progress with the development and implementation of sector and cross-sector strategies by PISC agencies and relevant RD&E partners (such as RDCs and industry bodies);
    - (iii) planned deliverables, timeframes, resource requirements and the allocation of responsibilities between the parties; and
    - (iv) an outline of the agreements requiring PIMC endorsement to ensure that the national system functions effectively on an ongoing basis, as well as a program to develop them;
  - (c) **AGREED** to adopt the Climate Change Research Strategy for Primary Industries as a guide for developing and collaborating on research and development plans between government and industry and **AGREED** to settle an R&D program for approval by PIMC in 2008, in the context of policy decisions regarding a national ETS and climate change response generally;
  - (d) **NOTED** that the PISC R&D Sub-committee is working cooperatively with RDCs in its current work program of developing sector and cross-sector strategies for grains, wine, beef, dairy, food and climate change and will meet with the RDCs Chairs and CEOs (July 2008) to further the above agenda; and
  - (e) **COMMENDED** the work of PISC, RDCs and industries on this issue to date and emphasised the importance of continued progress.

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<b>RESOLUTION</b>	<b>No: 13.5</b>

### AGRICULTURAL VALUE CHAIN ANALYSIS

1. At the 29 February 2008 Primary Industries Ministerial Forum, Ministers agreed that continued productivity growth is of fundamental importance to the agriculture and food sectors. Primary producers must focus on increasing productivity to maintain and increase the profitability and sustainability of their businesses. They acknowledged the added pressure climate change brings to the importance of maintaining productivity growth.
2. Further, Ministers agreed to collate data on the full value chain of agricultural production in the economy, from paddock to plate and assess the productivity opportunities through the value chain.
3. A greater understanding of all aspects of the agricultural value chain and the relative importance of each point along the chain in terms of its contribution to productivity growth, will help identify factors that impede productivity growth and inform investment and policy decisions for government. While some impediments or opportunities on the value chain may be generic, others are industry specific. If industry value chain analyses are undertaken on an industry basis within the framework of other similar analyses of major rural industries, issues for sectoral progress and issues for cross-sectoral pursuit can be identified. Such studies need to be done nationally because most industry value chains are national in extent.
4. While there may not be a role for government to intervene to remove any or all of the identified impediments, government intervention can be justified where there is market failure, where there are spillover benefits to the wider community, or where provision of information can improve industry's capacity for productivity growth.
5. It is important that PIMC clearly defines the reason why value chain analysis is worthwhile. By identifying impediments to growth and the relative importance of each point along the value chain, value chain analysis can help government determine how, if at all, it can assist industry to improve its productivity and which areas of intervention provide the highest value returns. In particular, a value chain analysis may assist in identifying the appropriate place for investing in research, development and extension, which is another key priority from the Ministerial Forum.

### **Value chain analysis**

6. Agricultural value chains encompass the processes, infrastructure and relationships that support the activities involved in transforming raw ingredients into final products.
7. These value chains are often complex and involve multiple participants. Improving efficiency and linkages in agricultural value chains is integral to lowering costs and increasing productivity at all points in the chain.
8. Some agricultural value chains are better integrated and more efficient than others, due to a range of factors, including the number and diversity of players and levels of market information available to each part of the chain. The dairy industry for example is much better integrated than the horticulture industry for these reasons.
9. Value-chain analysis will help to identify where investment may be most prospective, by either industry or government. While investment in on-farm research and development (R&D) will be most effective in increasing productivity for one industry, other industries may benefit more from improved market access or removal of regulatory impediments.
10. A better understanding of value chains will also help identify both short-term and long-term changes that could be made to improve productivity. For example, in the short term a company or industry might need to switch its focus from R&D to marketing, whereas long-term investment may be most effective in areas that ensure skills and labour supply are available into the future, such as education and training.

### **Rate limiters concept**

11. Primary Industries and Resources South Australia (PIRSA) has explored the concept of 'rate limiters' – blockages for various primary industry sectors that inhibit sustainable growth and the take up of profitable opportunities.
12. PIRSA also compared the relative importance of the different rate limiters between the wine, grains, livestock, horticulture and seafood sectors, in terms of the economic impact if the rate limiters were not addressed.
13. This analysis showed that regulatory impediments, workforce, industry collaboration and environmental constraints had a significant impact across all sectors. Organisational strength was important to most sectors and classified as needing urgent management, whereas biosecurity had similar importance but was generally classified as being managed.
14. The rate limiters concept is useful in targeting the 'problem areas' or areas where the highest value results are likely to be achieved for different industries. It also helps to distinguish between industry and government responsibilities. For example, problems with industry collaboration need to be addressed from within, whereas regulatory impediments can potentially be removed by government.
15. While the PIRSA work had a state-based focus, the rate limiters concept can be applied more broadly. Future work on value chain analysis to identify areas where government R&D investment can improve productivity will be most effective if conducted on an industry basis at a national level.

### Value drivers

16. The Australian Bureau of Agricultural and Resource Economics is currently working with the Grains Research and Development Corporation and some jurisdictions to identify on-farm drivers of productivity growth. The objectives of the work are to rank the drivers according to which appear to make the greatest contribution to observed productivity gains and prioritise them according to their amenability to R&D. The principles behind this work will also be useful in the value chain analysis process.
17. The *Agricultural Productivity – Issues Affecting Growth* (see PIMC Resolution 13.3 above) paper notes a number of key influences on productivity growth and areas where government may be able to take action. Detailed value chain analysis will assist in identifying priorities for government.

### Next steps

18. A working group led by South Australia has been established to develop a methodology for value chain analysis to be agreed by Ministers out of session by 30 June 2008. Following Ministerial agreement, the working group will develop an implementation plan for analysis of particular industries' value chains, in consultation with industry. Decisions on which industries will be targeted for analysis will depend in part on industry engagement; government will not commit to detailed analysis of value chains for industries that are not interested in being involved.

### DISCUSSION

19. Members agreed that South Australia continue to the lead work on value chain analysis and in doing so; invite Professor Andrew Fearne, a Thinker in Residence at the University of South Australia, to give a brief presentation to Council's November meeting on his work looking at value chain analysis in terms of sustainable competitiveness advantage.

### RESOLUTIONS

20. Council:
  - (a) **AGREED** that analysis of agricultural value chains will first be undertaken for a single national industry, on a trial basis, to enable the benefits of the approach to be assessed prior to its broader application;
  - (b) **NOTED** that Standing Committee has established a working group led by South Australia to develop a methodology for value chain analysis to be agreed by Ministers out-of-session by 30 June 2008 and that following Council endorsement, to progress value chain analysis of a specific industry for consideration by PIMC 15; and
  - (c) **AGREED** that Professor Andrew Fearne, Thinker in Residence, University of South Australia, provide a presentation at the Council meeting in November 2008.

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<b>RESOLUTION</b>	<b>No: 13.6</b>

### **UPDATE ON THE QUARANTINE AND BIOSECURITY REVIEW AND THE EQUINE INFLUENZA INQUIRY**

1. The Minister for Agriculture, Fisheries and Forestry, the Hon Tony Burke MP, updated members on the current status of the Quarantine and Biosecurity Review and the Equine Influenza Inquiry.
2. The Quarantine and Biosecurity Review is being undertaken by an independent panel chaired by Mr Roger Beale AO. The Review's terms of reference allowed the panel a wide-ranging scope, focusing on delivering quarantine and biosecurity services that achieve Australia's long-standing appropriate level of quarantine protection.
3. Minister Burke advised that the reporting deadline for the review had been extended by two months and is now due for completion by 30 September 2008.
4. The Equine Influenza Inquiry has completed its public hearings and the Commissioner, the Honourable Ian Callinan AC, has indicated that the report will be provided to the Australian Government by 25 April 2008.

### **DISCUSSION**

5. Minister Burke advised that members would be briefed on the Australian Government's responses in respect of the Quarantine and Biosecurity Review and the Equine Influenza Inquiry at the November 2008 PIMC meeting. However, if possible, jurisdictions will be briefed individually prior to the meeting.
6. In discussion, the Hon Ian Macdonald MLC, NSW Minister for Primary Industries, requested that the Executive Director and a senior scientist of AQIS attend the November 2008 PIMC meeting to advise Ministers what procedures and policies AQIS is implementing to prevent a re-incursion of equine influenza.
7. Minister Macdonald also requested that the Australian Government be proactive and develop a national communications strategy to build industry confidence and allay concerns that everything possible is being done to prevent re-incursion of equine influenza.
8. The issue of vaccinations was raised by members and Minister Burke advised that there will be a summit on this issue in Sydney on 16 June 2008.

**RESOLUTION**

9. Council **NOTED** a presentation by the Minister for Agriculture, Fisheries and Forestry on the current status of both the Quarantine and Biosecurity Review and the Equine Influenza Inquiry.

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<b>RESOLUTION</b>	<b>No: 13.7</b>

### NATIONAL APPROACH TO PLANT AND ANIMAL QUARANTINE

1. In 1995, the Commonwealth and all state and territory governments signed a *Memorandum of Understanding on Animal and Plant Quarantine Measures* (the MoU).
2. The purpose of the MoU is to enable Australia's compliance with relevant international obligations, in particular the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). The MoU also represented a cooperative approach to avoiding the Commonwealth Government having to impose legislation on state and territory governments to ensure compliance with SPS Agreement obligations.
3. In October 2002, the Hon. Warren Truss MP, then Minister for Agriculture, Fisheries and Forestry, wrote to each of his state and territory counterparts in 2002 to amend the text of the MoU.
4. The Australian Government is fully responsible for ensuring that regional and local governments comply with the SPS Agreement. This means that the Australian Government will be responsible under international law for any SPS-inconsistent measure applied by state, territory or local governments.
5. Australia exports approximately two thirds of its agricultural production. As a result, Australia relies heavily on the international rules-based trading system to maintain and expand its access to world markets. It is important that Australia complies fully with its international obligations.
6. The 'appropriate level of sanitary or phytosanitary protection'(ALOP) is the policy choice every WTO member is entitled to make regarding the level of protection it considers appropriate to protect human, animal or plant life or health within its territory.
7. Australia has *one* ALOP. Australia's ALOP is defined as that which provides a high level of sanitary and phytosanitary protection aimed at reducing risk to a very low level, but not to zero. Different measures may apply for the importation of an animal or plant product into different states/territories/regions if there is scientific justification. Biosecurity Australia takes account of regional differences in pest status when setting quarantine measures for imports – it does not apply a 'one-size-fits-all' approach.

**RESOLUTIONS**

## 8. Council:

- (a) **RECOGNISED** the need for the Australian, state and territory governments to work cooperatively to deliver an effective quarantine system that is consistent with Australia's international obligations under the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures;
- (b) **RECOGNISED** that the Australian Government is committed to addressing regional differences in pest status and risk when setting animal and plant quarantine measures for imports; and
- (c) **REAFFIRMED** its commitment to the partnership approach to biosecurity set out in the *Memorandum on Animal and Plant Quarantine Measures* signed in 1995 and subsequent amendments made in 2002.

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<b>RESOLUTION</b>	<b>No: 13.8</b>

### PROGRESSING MARKET ACCESS

1. At the Primary Industries Ministerial Forum on 29 February 2008, Ministers agreed to:
  - (a) work together to open overseas markets to Australian produce, by seeking the removal of unjustified policies and regulations in our export markets that impede the productivity and competitiveness of our agricultural industries;
  - (b) work towards national consistency on issues related to international market access, recognising the potential for regional differentiation; and
  - (c) continue to analyse concepts such as food miles and contribute to any projects investigating the application of carbon footprint calculations used for marketing or trade related measures.
  
2. The Australian Government already devotes significant resources to identify market impediments and undertakes a range of activities through multilateral negotiations in the World Trade Organization (WTO), free trade agreements with key trading partners and bilateral negotiations on quarantine regulations, which aimed to maintain and improve access to overseas markets and to increase the competitiveness of primary products. State and territory governments, including Ministers, also make efforts to expand markets for products from their jurisdictions through visits, marketing and other activities overseas. Representatives of Australian, state and territory governments have a presence in a number of important trading partners throughout the world.
  
3. To help better coordinate these various activities and to respond effectively to the agreed outcomes from the Ministerial Forum, it was proposed that a new sub-committee be established to monitor market access activities and developments and identify opportunities for more effective coordination of efforts across the states, territories and Australian governments in improving market access.
  
4. It was also proposed that the Market Access Sub-Committee be established under the Industries Development Committee of the Primary Industries Standing Committee.

### DISCUSSION

5. Members stressed the need for closer cooperation between jurisdictions and agreed that the new sub-committee would look at resolving market access issues overseas and within Australia.

**RESOLUTIONS**

## 6. Council:

- (a) **AGREED** that closer collaboration for proposed activities between jurisdictions will improve market access facilitation for Australia's primary industries; and
- (b) **AGREED** to Standing Committee establishing a Market Access Sub-committee with responsibility for analysing emerging issues in overseas and domestic markets and encouraging a national approach to achieving improved market access.

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<b>RESOLUTION</b>	<b>No: 13.9</b>

### PHASING OUT BATTERY CAGE PRODUCTION SYSTEMS

1. In August 2000, the Agricultural and Resource Management Council of Australia and New Zealand (ARMCANZ) agreed, subject to endorsement by respective governments of each jurisdiction, to a number of measures designed to improve hen welfare. **AGREED** measures included:
  - An increase in minimum floor space in conventional cages commissioned from January 2001;
  - Research and Development to evaluate furnished cages, barn and free range systems under Australian conditions;
  - Development of a beak trimming accreditation program to be enforced by national uniform legislation; and
  - Legal underpinning, by linking to state/territory legislation on the bird welfare, animal health and food safety components of the industry's national quality assurance program.
  
2. The ACT Legislative Assembly has had two amendments tabled to the ACT *Animal Welfare Act 1992* seeking to ban the use of conventional cages for housing layer hens.
  
3. Legislation was passed in the ACT to prohibit the production of eggs from conventional cages systems in 1997. The prohibition on keeping layer hens in cages for egg production was unable to commence until a prohibition on the sale of eggs produced in other jurisdictions using the conventional cage housing system and imported to the ACT had been agreed to by other jurisdictions. This prohibition addressed both the animal welfare grounds for ceasing conventional cage production of eggs in the ACT and also the consequential effect of a localised ban transferring the matters at issue interstate, resulting in a greater level of importation of cage produced eggs to the ACT.
  
4. The 1997 prohibition on keeping of layer hens in conventional cages was reliant on a parallel prohibition on the sale of all eggs in the ACT produced in conventional cages elsewhere. The proposed amendments would have seen only eggs produced from alternative production systems available for sale in the ACT. A lead time of six years was allowed for industry adjustment in the expectation that in creating such a market the ACT's only commercial egg producer could remain viable after modifying existing production facilities.

5. However, the proposed constraint on sales of interstate cage produced eggs triggered the provisions of the *Mutual Recognition Act 1992* and this was recognised in the 1997 legislation. All Australian governments would need to agree that a case had been established for the ACT allowing trade to be restricted in this way. Consequently, the 1997 amended Act that prohibits the production and sale of eggs using a conventional cage housing system remains un-commenced.
6. The ACT agreed to increased space allowance for caged layer hens, which regulation was passed in August 2001, with agreed commencement date of 1 January 2008. In January 2002, the ACT adopted the improved husbandry standards outlined in the National Poultry Code.
7. The ACT Greens Party tabled the *Animal Welfare Amendment Bill 2007* in the ACT Legislative Assembly in May 2007. The amendment bill would ban conventional cages for egg production or chicken meat production within the ACT, commencing 1 January 2008. Debate on this Bill has been adjourned.
8. Advice received from the Australian Egg Corporation and local egg producer Pace Farms states that an increase in demand for eggs produced from alternative production methods (non-caged birds) would lead to higher production rates to meet demand.
9. The ACT Legislative Assembly has been unable to set the commencement date for the 1997 amendments to the *Animal Welfare Act 1992* due to the lack of agreement from other jurisdictions in providing the ACT with an exemption from provisions under Section two of the *Commonwealth Mutual Recognition Act 1992*.

## DISCUSSION

10. Members acknowledged the significant investment by industry following the ARMCANZ decision in 2000 to increase the size of conventional cages and did not agree to the ACT's proposal that consideration be given to a phased-in ban (or decommissioning) of all conventional cage layer hen housing systems. However, it was suggested that the ACT investigate the possibility of enriched cages to address animal welfare concerns.

## RESOLUTION

10. Council **NOTED** that the recommendations of the ARMCANZ resolution of August 2000 has been implemented by Queensland, New South Wales, Victoria, Tasmania, South Australia, Northern Territory and the Australian Capital Territory and will shortly be implemented by Western Australia.

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<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.10</b>

### LAYER HEN ADJUSTMENT PAYMENTS

1. The Agricultural and Resource Management Council of Australia and New Zealand (ARMCANZ 18 – August 2000) agreed to a number of measures to improve hen welfare. In November 2002 the Australian Egg Industry Association lodged a submission calling for government support to cover income support, welfare and exit assistance, training and skills enhancement and industry adjustment. PISC 4 (March 2003) agreed that no additional assistance should be provided to the egg industry. PIMC 3 (April 2003) requested that standing committee examine the progress that had been made on the implementation of welfare measures for layer hens and report back to Council.
  
2. PIMC 4 (October 2003) discussed the need to understand the full implications of the ARMCANZ decision for the egg industry and indicated that it was essential to assess the costs and benefits of implementing the layer hen housing decision. The cost benefit review was undertaken by ABARE and was reported to PIMC 5 (May 2004). The key findings of the ABARE report were:
  - (a) Some existing capital installations in the cage system will become redundant as a result of the reforms prior to those cages reaching the end of their imputed economic life. The capital cost to egg producers from the redundancy is estimated at \$3.8 million;
  - (b) Overall, the reforms are expected to result in an estimated increase in production costs of 3.5 per cent. This translates to about \$131 million in present value terms. This is made up of the cost to producers to replace old cages and to install additional “state of the art” sheds to maintain existing bird numbers. However, owing to the highly inelastic consumer demand for eggs, this increased cost is likely to be passed on to consumers through higher retail prices;
  - (c) Although the costs to industry, as a whole, are generally small, the reforms are estimated to have varying impacts on different producer groups and may differ among regions/states. Differences mainly reflect variations in the size of holdings, investment dates and the state and extent of compatibility of existing facilities with the 1995 standards;
  - (d) Together with consumer costs, the present value of the total cost of the new welfare policy for cage hens is estimated to be \$135.5 million, equating to an annual cost of \$8.1 million. Of this annual cost \$200 000 would be borne by producers, with the remainder (\$7.9 million) borne by consumers; and

- (e) A key assumption of the report is the 20-year imputed economic life assigned to layer cages as provided in the ARMCANZ 18 resolution. This is consistent with the 1998 Productivity Commission egg report and the latest Model Code of Practice for the Welfare of Animals: Domestic Poultry (2002). In practice many producers operate cages for significantly longer periods. However, there are good reasons that a 20-year life is included in the 2002 Model Code, some of which relate to addressing consumer animal welfare concerns, reducing disease risks and ensuring maximum production efficiency.
3. PIMC 5 requested that Standing Committee examine the option to provide structural adjustment assistance to those egg producers whose cages do not meet the 1995 Code of Practice and are being required to dispose of, or substantially modify, those cages before they reach their imputed economic life and who are staying in the industry and are upgrading or have upgraded their cages to meet their 2008 requirements. This included consideration of assistance being provided through a national levy on the retail price of eggs, collected at the wholesale level as proposed by the Australian egg industry.
  4. PIMC 7 (December 2004) examined the work undertaken by Standing Committee and was informed of a number of potential options regarding structural adjustment assistance:
    - (a) no further assistance beyond existing programs;
    - (b) capital costs assistance as per ABARE report at a cost of \$6.6 million;
    - (c) cage scrapping scheme at an estimated cost of \$40 million; or
    - (d) an industry proposed package at a cost of \$434 million.
  5. PIMC 7 considered that in taking the decision of ARMCANZ 18, the minimum eight year lead time was adequate and avoided the need to provide adjustment assistance. The proposal of a national levy was raised but Council noted that there may be policy and logistical issues associated with providing assistance to the estimated 300 cage egg producers in Australia. Council noted that any agreement to provide assistance would require the states and the Australian Government to provide funding on a basis to be agreed by Council.
  6. The NSW Minister of Primary Industries, Ian Macdonald MLC has repeatedly pressed for a structural adjustment package, most recently at PIMC 10 (April 2006).
  7. The requirement of egg producers to upgrade their cages is a policy induced impost on industry which forces producers to upgrade cages and sheds in some cases before the end of their imputed economic life. The changes have resulted in significant costs for industry and in a significant number of smaller operators leaving the industry.
  8. In NSW there are a small number of layer hen producers who are considering exiting the industry because they have old cages that are no longer compliant with the new standards. Many of these producers operate on small properties where the land value is negligible because it cannot be used for any other agricultural purpose.
  9. NSW proposed that Council consider a program whereby layer hen producers would be eligible for exit assistance providing they removed all cages associated with layer hen production, but would be permitted to retain their land.

## **DISCUSSION**

10. In discussion on this item, members stressed that Council had re-affirmed the ARMCANZ 18 decision in 2002 and 2004 and that industry has had eight years to be compliant. There was no consensus for an exit package linked to layer hens.
11. Members were reminded however, that the Australian Government administers exit packages for farmers in Exceptional Circumstances areas.

## **RESOLUTIONS**

12. Council:
  - (a) **NOTED** previous discussions regarding a structural adjustment package for the egg industry; and
  - (b) **NOTED** that the Australian Government already administers an exit assistance program for farmers in Exceptional Circumstances areas wishing to leave the land worth \$150,000 plus up to \$20,000 for re-training and relocation expenses.

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<b>RESOLUTION</b>	<b>No: 13.11</b>

#### **PORK INDUSTRY – PRODUCTIVITY COMMISSION REPORT ON SAFEGUARDS**

1. In October 2007, the Productivity Commission commenced a Safeguards Inquiry into the Import of Pigmeat. As part of its investigation, the commission completed an accelerated report into provisional safeguard measures (released 20 December 2007). The commission found that provisional safeguard action could not be taken against pigmeat imports as imports were not the cause of the financial strain on industry.
2. The Productivity Commission released its final report of the Safeguards Inquiry into the Import of Pigmeat on 4 April 2008. The report found that safeguard measures were not justified and that the pigmeat industry did not have a strong case for additional government assistance.
3. The commission acknowledged that many pig producers were under significant financial pressure but found that safeguard measures were not warranted. This is because the principal cause of the pork industry's difficulties was high feed grain prices and not imports.
4. Under World Trade Organization (WTO) rules, members can only take safeguard action after a determination has been made. In Australia this is investigated by the Productivity Commission, in accordance with Australia's safeguard investigation procedures, which have been notified to the WTO and which are consistent with our WTO obligations. The commission's finding that safeguard measures are not justified means that it is not possible to take safeguard action against pigmeat imports at this time.
5. The commission found that overall since 2005 the pork industry has become more efficient, with a key source of change in the industry being the adoption of new or improved technologies such as the development of methods to improve pig herd feed conversion efficiency.
6. The commission accepts that the pigmeat industry is facing considerable difficulties at present coping with cost pressures in a competitive market. However, it reported that many other industries are facing a similar cost-price squeeze and other hardships.
7. The commission noted that the Australian pigmeat industry currently has almost half its domestic market insulated from import competition through strict quarantine rules.

8. The commission also said that introducing generous assistance for pig producers would introduce new distortions, by favouring pig farmers over other industries, many of which are also suffering from the impacts of higher feed prices.
9. The commission recommended that Australian and state and territory governments should continue work on promoting consistency of regulations across jurisdictions, including more harmonised implementation and enforcement processes where appropriate. Some of the major 'hot spots' for reform identified by the pigmeat industry include animal welfare; occupational health and safety; food; and ethanol regulation.
10. The commission said that some drought assistance schemes have the potential to impact on the market for feed. The commission found that state and territory drought assistance eligibility criteria that differ between pig producers and other agricultural interests have the potential to distort markets (for example, fodder transport subsidies).
11. The Australian Government is giving serious consideration to all the findings and recommendations made by the Productivity Commission in its final report. The government is required to provide interim responses to such reports within two months, and final responses within six months, of tabling.

## RESOLUTIONS

12. Council:
  - (a) **NOTED** the findings and recommendations of the Productivity Commission's report, in particular that:
    - (i) the pigmeat industry is facing considerable difficulties at present;
    - (ii) increased imports have not caused and are not threatening to cause serious injury to the domestic industry;
    - (iii) the overwhelming cause of serious injury has been higher domestic feed costs – accordingly, safeguard action is not warranted;
    - (iv) the pigmeat industry does not have a strong case for additional assistance;
    - (v) governments should continue work on promoting consistency of regulations across jurisdictions; and
    - (vi) state and territory drought assistance eligibility criteria that differ between pig producers and other agricultural interests have the potential to distort feed markets; and
  - (b) **NOTED** that the Australian Government is considering the findings and recommendations made by the commission in its final report.

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<b>RESOLUTION</b>	<b>No: 13.12</b>

### **HONEYBEE INDUSTRY**

1. The South Australian Minister for Agriculture, Food and Fisheries, the Hon Rory McEwan MP, requested a review of the Import Risk Assessment process that AQIS uses to allow access of overseas bees in their products.
2. It was also proposed that this issue be discussed at the November 2008 PIMC meeting.

### **RESOLUTION**

3. Council **NOTED** that South Australia will request the Director of Quarantine to ask Biosecurity Australia to undertake a review of the Import Risk Assessment for the import of overseas bees and their products.

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<b>RESOLUTION</b>	<b>No: 13.13</b>

### EUROPEAN HOUSE BORER (EHB)

1. PIMC 11 (November 2006) endorsed national cost sharing for the EHB program for completion of surveillance and containment for a period of two years, commencing 1 January 2007. The commitment for the second year of operations and funding was subject to a 20 per cent industry funding contribution commencing 1 January 2008. The agreed budget for 2007-08 was \$9,248,330. PISC 13 endorsed, out-of-session, in May 2007, the governance arrangements for the EHB program.
2. An ABARE review of the Benefit Cost Analysis in 2007 confirmed that there was a significant benefit to the cost ratio of an EHB eradication program. A review of the EHB program in mid-2007 by the EHB Scientific Advisory Panel (EHBSAP) and subsequent consideration by the EHB National Consultative Committee (EHBNCC) concluded that there was no reason to believe that eradication was not feasible. EHBNCC agreed that a further review to assess the feasibility of eradication would be conducted in June 2008.
3. On 11 January 2008, EHBSAP met (via teleconference) and expressed satisfaction with the progress made by the EHB program. EHBSAP noted that infestations continue to be confined to the greater Perth metropolitan area. EHBSAP also concluded that the program was on track and there was no technical reason to cease the program.
4. On 6 February 2008, EHBNCC:
  - (a) endorsed the EHBSAP conclusion that there were no technical issues warranting a review, but that it was too early to make recommendations on the continuation of the program;
  - (b) confirmed that a review of the EHB program will be conducted in June 2008 to further assess feasibility of EHB eradication and make recommendations to PISC/PIMC/EHBNMG on the continuation of the program;
  - (c) agreed to request the EHB program review the current response plan including the budget, with input from EHBSAP in June 2008; and
  - (d) noted that the EHB program is seeking 'in principle' funding support for the EHB program for the next three years subject to further review of the program later in the year.
5. The current 2008-09 funding approval for the EHB program of \$1.893 million is only until December 2008. Bridging funding until the end of 2008-09 is needed so that there is allowance of time for consideration of the outcomes of the scheduled mid-2008 review and ongoing funding. The funding request for the six months for the

continuation of EHB program activities between January and June 2009 is \$2.2 million, making a total budget for 2008-09 of \$4.093 million.

6. Consistent with the PIMC 11 resolution, industry agreed in principle to contribute funds (20 per cent or \$850,158) to the EHB program in 2008. The Department of Agriculture, Fisheries and Forestry is currently working with the industry to establish a mechanism for the provision of 20 per cent industry funding for the EHB program in 2008.

## RESOLUTIONS

7. Council:

- (a) **NOTED** satisfactory progress for the EHB containment/eradication program in Western Australia;
- (b) **AGREED** to the extension of the EHB program funding from 1 January to 30 June 2009 of \$2.2 million, with member contributions as follows, so that the program can be maintained under the agreed Response Plan while the review is completed and decisions made about the program's future, subject to:
- (i) Treasury approval processes;
  - (ii) the outcomes of the EHB program review in the second half of 2008 and national agreement that the program should continue after 31 December 2008; and
  - (iii) agreement by the EHB National Consultative Committee and the EHB National Management Group of a response plan that details the work the EHB program proposes to undertake during the six months from January to June 2009 and the resources and indicative budget required to undertake that work:

	%	\$
Australian Government (DAFF)	50.00	880,000
New South Wales	16.80	295,680
Victoria	12.24	215,424
Queensland	9.63	169,488
Western Australia	4.88	85,888
South Australia	3.87	68,112
Tasmania	1.20	21,120
Australian Capital Territory	0.82	14,432
Northern Territory	0.56	9,856
Industry (subject to agreement)	20.00	440,000
<b>TOTAL</b>	<b>100.0</b>	<b>2,200,000</b>

- (c) **NOTED** that the future of the program beyond 2008-09 will be subject to review by the EHB Scientific Advisory Panel (EHBSAP) and the EHB National Consultative Committee (EHBNCC) by September 2008 and the EHB National Management Group (EHB NMG) decision in late 2008;
- (d) **AGREED** that the ongoing funding for the program will be dependent on industry meeting 20 per cent of costs and **NOTED** that negotiations continue via the

Industry-Government Liaison Working Group to put in place a funding mechanism;  
and

- (e) **NOTED** the indicative three year (2009-12) budget of \$13.7 million for EHB program subject to any program changes recommended by EHBSAP and EHBNCC and approved by EHBNMG.

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<b>RESOLUTION</b>	<b>No: 13.14</b>

### NATIONAL CO-EXISTENCE FRAMEWORK FOR GM CROPS

1. In its 2006 review of the *Gene Technology Act 2000*, the independent Review Panel concluded that a national framework for co-existence would address many of the concerns that led to the moratoria being imposed by a number of states.
2. The Review Panel recommended that the Australian Government and states work together to develop a national framework for co-existence for non-GM and GM crops to address market considerations. This recommendation was accepted by the Australian, state and territory governments and referred by the Gene Technology Ministerial Council to PIMC for consideration and advice, by the end of 2007.
3. PISC 12 (March 2007) agreed to the GM Taskforce using the Queensland co-existence framework as the basis for preparing a draft national co-existence framework, which, when finalised may be assessed for adoption by those jurisdictions that wished to do so. A GM Taskforce Working Group comprising representatives from Western Australia, South Australia, New South Wales and Queensland developed the draft national co-existence framework ([Annex A](#)).
4. Co-existence of GM and non-GM crops in the supply chain is a complex issue and, given the different requirements across industries and markets and the different objectives of jurisdictions, the National Framework is a high level document that will allow each industry to develop strategies specific to their needs.
5. Co-existence strategies developed through the framework will enable participants along the supply chain to competitively meet the requirements of their chosen markets and give consumers the ability and freedom to select products according to their preference.
6. The model put forward in the paper is non-legislative. It is proposed that PISC will have a central role in consulting with the peak industry bodies on whether specific co-existence plans are required, but the development, implementation and monitoring of these plans will be under the control of industry.
7. 100 per cent segregation is not possible, but low thresholds will be set to allow marketers to deliver to national and international markets. Setting thresholds is standard industry practice to manage low levels of all unwanted material in products. The aim is to manage these levels, to as close to zero as possible within the limits of cost, practicality and technical feasibility.

**DISCUSSION**

8. In discussion on this item, the Tasmanian Minister for Primary Industries and Water, the Hon David Llewellyn MHA, advised members that Tasmania remains unconvinced that industry self regulation of segregation will safeguard the choice of those whose preference is for non-GM products particularly in regard to inherently difficult species such as canola.

**RESOLUTIONS**

9. Council:
- (a) **NOTED** the National Framework to develop coexistence strategies for GM and non-GM crops at Annex A; and
  - (b) **AGREED** to forward the Framework to the Gene Technology Ministerial Council for noting

**ANNEX A: A National Framework to Develop Coexistence Strategies for GM and non-GM Crops**  
*[Annex is held by the Secretariat]*

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<b>RESOLUTION</b>	<b>No: 13.15</b>

### **PROMOTION OF PRIMARY INDUSTRIES TO THE EDUCATION SECTOR**

1. PIMC 10 (April 2006) considered a paper on the promotion of primary industries to schools and resolved to further encourage state and Australian Government involvement, including conveying a balanced appreciation of the role, responsibility and values of primary industries and promoting effective links between schools, industry, training and tertiary education sectors. Council also noted the formation of a national network for the promotion of agriculture in schools.
2. PIMC 11 (November 2006) agreed that in addition to the draft national education framework, a discussion paper would be prepared on a framework for education and training for the primary industries sector within 12 months that would take into account issues relating to industry, vocational training and tertiary institutions.
3. Subsequent to PIMC 11, the former Minister for Agriculture, Fisheries and Forestry convened a roundtable of representatives from the agricultural industry and education sectors to initiate the formation of a nationally coordinated approach to the promotion of agriculture/primary industries. This initiative adopts the principles outlined in the draft National Primary Industries Schools Education Framework.
4. The roundtable, held on 3 May 2007, established a steering group of ten members to develop draft objectives, the operational scope and a draft constitution for a coordinating entity. The steering group comprises representatives from the National Farmers' Federation, Meat and Livestock Australia, the Rural Industries Research and Development Corporation, the National Association of Agricultural Educators, Cotton Australia, the Royal Agricultural Society of NSW, AgForce Queensland and state and Australian Government agencies including DAFF, NSW Department of Primary Industries and the Victorian Department of Primary Industries.
5. The primary industries working group (previously known as the steering group) recommended that the entity would:
  - be a tripartite organisation between industry, the education sector and government to ensure its credibility both with schools and industry. This has been a major item of discussion and consideration during the development process;
  - have a constitution similar to that of Plant Health Australia, with an independent board selection process to appoint a seven member skills-based board;
  - have a subscription based membership from industry and other bodies (mainly Research Development Corporations) whose subscription will cover overhead costs.

It is proposed that these subscriptions will be in the vicinity of \$50,000 to \$80,000 per year;

- include another class of membership to formalise involvement of the education and related sectors with a nominal annual fee;
  - contract with various industry organisations to facilitate primary industries education across Australia. The entity will not undertake education itself but will be the conduit for it to occur, particularly for coordination between national industry bodies and state education operations; and
  - work closely with state organisations and will facilitate a national network of interested individuals and organisations to ensure its effectiveness.
6. The working group drafted a new constitution – the Primary Industries Education Foundation (PIEF). The final constitution was circulated and subsequently endorsed at a roundtable in December 2007.
  7. The principles outlined in the draft National Primary Industries Schools Education Framework have set the basis for the work being undertaken on a national level through the May 2007 roundtable. Further development and implementation of the national framework can be more effectively taken up by PIEF, which comprises industry, education and government members, and will be able to coordinate education initiatives and seek funding for education projects nationally as required.

## DISCUSSION

8. In discussion on this item, it was noted that the establishment of a new national program should not duplicate existing state programs.
9. Members agreed that the chair of the Australian Food Industry Skills Council be invited to join the working group.

## RESOLUTIONS

10. Council:
  - (a) **NOTED** progress on a national approach to the promotion of primary industries to the education sector;
  - (b) **NOTED** the support and partnership of industry regarding the promotion of primary industries to schools;
  - (c) **NOTED** the progress in developing a national entity for the Promotion of Primary Industries to the Education Sector; and
  - (d) **AGREED** to support and monitor the development of the national entity for the Promotion of Primary Industries to the Education Sector, which will provide the coordinated national framework for promotion of primary industries in schools and **AGREED** that the chair of the Australian Food Industry Skills Council be invited to join the working group.

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<b>RESOLUTION</b>	<b>No: 13.16</b>

**UPDATE ON THE EQUINE INFLUENZA OUTBREAK AND THE SUCCESS OF THE RESPONSE FROM THE COMBAT STATES' PERSPECTIVE**

**New South Wales Situation**

1. Following laboratory confirmation of equine influenza (EI) at Centennial Park on the evening of 24 August 2007, a national horse 'standstill' was implemented on 25 August 2007. The national ban on the movement of horses was implemented through each States' exotic disease legislation. Horses in transit were permitted to continue to any destination, but commencement of any new movements without approval was prohibited. In particular, New South Wales (NSW) was declared a Control Area for EI.
2. Over the following month, the extent of dissemination of EI infection on the Eastern seaboard of Australia that had occurred prior to implementation of the horse standstill was carefully evaluated. It is now clear that the month long horse standstill was very effective in stopping the rapid long-distance spread of EI infection that occurred with movement of unidentified infected horses prior to the standstill.
3. Outside the main area infected prior to the standstill, few new infected properties were detected where the timing or pathway of infection cannot be explained by
  - (a) disease spread from another infected property in close proximity;
  - (b) a delay in the detection of an infection that occurred prior to the standstill; or
  - (c) the transmission of infection on contaminated horse personnel or equipment after the standstill.
4. EI free zones were set up at major racetracks in and near Sydney and for a number of weeks, 1200 horses and 100 training businesses continued training and race preparation. In addition, EI free zones were set up at the major South East Queensland racetracks. Subsequent biosecurity breaches, resulting in infection, occurred at some of these sites.
5. By mid-September the distribution of EI infection in NSW had been determined. Over this period there was very little expansion of the infected area (declared as a Restricted Areas in NSW), despite the detection of several thousand Infected Properties (IP) during that time. Accordingly, it was possible to introduce zoning amendments to free up horse movement and equine event restrictions over much of NSW.
6. At the same time it became clear that there were significant areas of the main Restricted Area in NSW where the high horse density and high prevalence of infection made further control of the spread of the disease between properties difficult if not

impossible, particularly between small properties. To better manage these areas, the unit for disease control was changed from an individual property to an area of high prevalence, with high prevalence areas then declared as Special Restricted Areas (Purple Zone). All quarantine and restrictions on horse movements and conduct of equine events were lifted in these areas.

7. This not only freed-up critical resources, but also reduced unnecessary horse movement restrictions, allowed the breeding season to progress and restored some sense of normality to communities in these areas. Horses of any immune status were permitted to move into these areas until 21 November 2007, but thereafter only horses with demonstrated immunity to EI infection from past infection or vaccination were permitted to enter Special Restricted Areas. Horse movements out of these areas remained restricted, but protocols were developed to allow some movements that did not pose a significant risk of disease transmission. These protocols involved pre-movement quarantine or isolation and post-movement quarantine or isolation at the destination, with testing and health monitoring during the pre-movement and post-movement periods.
8. Contact between infected and susceptible horses on adjoining rural and semi-urban properties allowed the slow lateral spread of infection between adjoining properties, particularly around rural towns where there are small properties and high horse population densities. Spread also occurred over slightly longer distances (up to three kilometers) in areas with relatively high horse densities.
9. To halt this creeping lateral spread of infection between adjoining properties, 'buffer zones' (an area of at least 10 km wide that were relatively free of horses susceptible to EI infection) were established around all existing areas of infection (in NSW these were Restricted Areas). These buffer zones were created by vaccinating horses in the area to make them immune rather than susceptible and by removing as many as possible of the remaining unvaccinated horses from the area. These buffer zones were established by the end of October 2007. Horses in the buffer zones were tested for EI infection at the time of the initial vaccination. Buffer zones were relocated outwards away from active infection whenever infection was detected.
10. Vaccination in buffer zones and high value horses (racehorses and other performance horses) within Restricted Areas commenced in late October 2007 and was completed by January 2008. By February 2008, almost 155,000 horses across Australia had been vaccinated twice.
11. Vaccination of the performance/competition horses within the horse population was undertaken by industry organizations, at the expense of the owners, outside the Purple Zones (NSW). The racing, harness racing and some eventing sectors of the horse industry were permitted to vaccinate horses throughout NSW to reduce business risks in the event of the future spread of infection. In particular, this allowed the movement of the horses necessary for an early resumption of racing at major Sydney metropolitan tracks, which occurred in early December 2007.
12. Despite repeated public warnings and information dissemination about the need for personal hygiene and tight biosecurity on all horse properties, spread of EI over medium to long distances occurred by movement between horse properties of

contaminated people and contaminated equipment. Although good personal hygiene and biosecurity on all horse properties would prevent disease transmission by this method, lack of total compliance by horse owners with these control strategies meant this particular risk could not be completely eliminated. Human-vectored spread therefore occurred in all directions including to the south west, threatening horse populations in Victoria and South Australia.

13. Despite ongoing underlying concern about further human-vectored spread, the incidence of new infection declined dramatically during October and November 2007. Zoning with containment lines based on horse movement restrictions was clearly very effective in controlling wider distribution of EI infection across. The onset of warmer summer conditions may have also inhibited disease spread.
14. On 28 February 2008, the Hon Ian Macdonald, NSW Minister for Primary Industries, announced the eradication of EI from NSW. Given the extensive spread of the EI virus before it was detected and its highly contagious nature, NSW has succeeded in stamping out this disease in an extremely short time. During the six month NSW campaign:
  - More than 47,000 horses on 6,000 properties have recovered from EI infection and no longer carry the disease;
  - Vaccinated approximately 50,000 horses for control purposes;
  - Provided vaccine for horse industry sectors to vaccinate more than 13,000 horses;
  - More than 128,000 laboratory tests have been conducted to both locate infection and demonstrate that the virus has gone. There have been 50,000 tests this year alone, with the majority in the highest risk purple zone where more than half of all horse properties were infected;
  - More than 20 control and vaccination centres were established across NSW;
  - Enlisted an EI workforce of about 2,000;
  - Implemented a successful four colour zoning system to free-up movements, allow the breeding season to be undertaken and horse events to resume;
  - Implemented a whole of Government response including NSW Rural Lands Protection Boards, NSW Police, NSW Roads and Traffic Authority, NSW State Emergency Service, NSW Rural Fire Service and NSW Health; and
  - NSW DPI has been unable to find any infection since December, despite actively searching for isolated pockets of virus on more than 10,000 properties in the purple zone.
15. As a result of this announcement all permit and testing requirements for moving horses within NSW have been lifted and only precautionary requirements such as prior notification with a Travelling Horse Statement (THS) and event registration are required to move a horse in NSW.

### **Queensland Situation**

16. The Queensland Department of Primary Industries and Fisheries (DPI&F) was informed of a suspect case of Equine Influenza (EI) in the Eastern Creek quarantine facility on 22 August, 2007.
17. Queensland's CVO received reports of horses at Morgan Park, Warwick, showing mild symptoms of EI late in the morning of 25 August 2007 and he dispatched a veterinarian to investigate. Morgan Park was placed under quarantine at 4:15pm that afternoon as a

precaution. Test results were received at 7am on 26 August 2007 confirming the presence of EI in Queensland.

18. A Queensland State Disease Control Headquarters (SDCHQ) was established on 25 August 2007 and it managed Queensland's response throughout the outbreak. The Business Call Centre EI Hot Line was established, Daily Situation Reports were prepared and debrief meetings and weekly Control Group meetings including industry groups were established. Around 2,000 people worked in the SDCHQ and around 100 veterinarians (excluding private veterinarians involved in vaccinations and investigations) worked on Queensland's response.
19. The disease was confirmed in Brisbane (Kenmore and Brookfield) on 28 August 2007. Queensland established a zone system – red and green – on 13 September 2007 and administered a strict permit system for movements.
20. Communications Resource Centres were established on 10 September 2007 – at Brookfield and then at Rosewood, Caboolture, Warwick and Tamborine to provide information and assistance to horse owners and people affected by the EI outbreak.
21. When EI was identified at Hendra, Deagon and Albion Park racing precincts the Queensland government established a 'one-stop' shop in the area on 26 September 2007 to assist people and established a \$20 million 'whole of government' support package immediately to assist the whole horse industry. Vaccination commenced on 28 September 2007.
22. Four Industry Liaison Officers were appointed on 15 October 2007 to assist with communication to horse owners, particularly on permit and vaccination issues. A Performance and Pleasure Horse Crisis Committee was established at an industry meeting on 14 October 2007 and operated until late February 2008 advising DPI&F on measures to assist that sector of the industry.
23. Movement restrictions were maintained in the south east corner of the State (red zone), with infection in the early stages primarily occurring in four cluster areas. Spread of infection out of these areas generally only occurred as slow, lateral spread, however, the infection eventually became more widespread within the red zone.
24. There have been no new cases of EI in Queensland since 25 December 2007 with the last Amber Zone in Queensland progressing to a Green Zone on 14 March 2008 bringing the status of both previously-infected states into line.

### **Victorian Situation**

25. In Victoria, the initial response included the national three-day horse movement standstill, starting on 25 August 2007; extended for a further three days by national agreement until 31 August 2007. Victoria was a frontline state with high cross-border horse traffic and facing a high risk of EI; as a result, additional strategies were put in place after the lifting of the horse standstill. These included:
  - (a) *Passive Surveillance* – Horse owners and equine practitioners were encouraged to report and have investigated all cases of respiratory disease in accordance with a specially developed protocol in order to exclude EI. Under this system, 1315 horses on 405 properties were investigated and tested negative on PCR.

- (b) *Border Control* – Surveillance points, manned by a private security company and supervised by DPI field staff, were set up at all 32 border crossing points with NSW. 629 ‘suspicious incidents’ occurred, many warning letters were sent, with three incidents worthy of prosecution.
- (c) *Industry Liaison and Public Awareness* – Ongoing co-operation with horse industry peak bodies proved very fruitful. Additionally, DPI Victoria ran a successful proactive media campaign to encourage sensible biosecurity practices. Over 50 community meetings were held across Victoria to inform horse owners on the EI situation. Ten thousand community information packs were distributed.
- (d) *Industry financial assistance* – The Victorian Government set up a financial assistance scheme, making \$1.5 million available as grants for the many not-for-profit recreational horse groups that had suffered significantly through the cancellation of their key events. This was extremely well received by the many, often small, clubs and groups eligible under the scheme.
- (e) *Sentinel Practice Surveillance* – As the epidemic subsided, it became necessary to more actively search for EI. Fifteen private veterinary practices across Victoria were recruited to provide data on the numbers of horses they had seen during the course of their normal work that showed respiratory signs or were apparently healthy. Using this system (initiated in December 2007), 125,000 horses on nearly 11,000 properties have been observed by veterinarians; 51 were sampled to exclude EI and all were found negative.

### **Planning for Business Continuity and Economic Impacts on the Industry**

- 26. Proactively and effectively managing the economic impact of the eradication response on the industry as much as possible within the technical constraints was essential to generating and maintaining industry commitment to financially supporting the response and accepting the technical strategies. This approach must be coupled with good communication with the affected industry.
- 27. The NSW and Queensland response has dedicated resources to ‘relief and recovery’ since day three of the response. The principal social-economic objective was to return all sectors of the horse industry in all areas to normality as soon as possible. NSW established a taskforce that met weekly initially, to provide industry feedback on the current strategies and to assist with providing relevant industry information. In addition, NSW DPI established three ‘Road to Recovery’ consultative groups representing the racing sector, the horse breeding and trading sectors and the pleasure and performance sector of the horse industry. These consultative groups were tasked with defining the return to normality within their own sectors.
- 28. Queensland established an EI ‘Control Group’ with representation of all industry groups very early in the response and this group met weekly. In addition an EI Crisis Committee was formed to specifically address issues within the performance and pleasure industry. Industry liaison officers also played a crucial role.
- 29. It was established as a principle that all disease control policies and procedures in the program must be designed with the objective of minimising the social and economic impact on the horse industry so far as possible without compromising the national EI program objective of eradication. A key strategy for minimising the social and economic impacts of control was rezoning to minimise the areas in which movement

and other restrictions were necessary at any time. Extensive surveillance with a large amount of laboratory testing was required to provide the epidemiological data necessary to obtain national (CCEAD) approval for this rezoning to occur.

30. Within Queensland's red zone, considerable effort was devoted to working with industry to develop movement conditions within the zone that allowed some level of normal business while minimizing the risk of spread of disease.

#### **Investment in New Technologies**

31. This response has demonstrated the value of extensive preparation for an emergency response, including a substantial investment in science and research. The laboratory at Elizabeth Macarthur Agricultural Institute, Camden, has performed more than 128 000 EI tests since the beginning of the response – which has been an incredible achievement. The response would not have progressed as quickly and effectively as it did without this capability.
32. As part of this investment two NSW DPI staff were sent to the USA to train in the relevant techniques, investment was made in sophisticated laboratory robots, automated extraction equipment – the first of its type in Australia – and real time PCR machines. There has also been extensive investment in a networked laboratory information management system (LIMS). The subsequent improvements in capture of data and timely retrieval proved invaluable to epidemiologists in the outbreak and allowed them to predict and plan more effectively.
33. In NSW, more than 128,000 tests have been performed, of which almost 65 000 were PCR tests. At the same time the laboratory at EMAI was able to continue its normal diagnostic workload – including tests for disease surveillance and testing livestock for export and imported shellfish. This demonstrates a capacity to deal with simultaneous emergency responses if necessary.
34. Similar investments have now been made within Queensland's animal health laboratories.

#### **Rapid and Responsive Development and Roll-out of Information Systems**

35. Effective delivery and management of information systems have been crucial to the success of the EI response effort. An Information Manager was appointed in SDCHQ to ensure effective data management processes were developed and continuous improvement of work practices. In NSW there were five core information systems used in support of the EI emergency: Frontgate for spatial analysis and mapping; Anemis for disease management activities; Sample Manager for laboratory test management; the external DPI website for online forms; and information dissemination to the general public and the EI call centre. In Queensland, the fire ant information system was adapted for use for EI following the failure of ANEMIS (now called EIIS). Other critical systems were the existing laboratory information system, GIS, property information system and new permits management and vaccination systems developed during the response.

36. Frontgate was developed by NSW DPI specifically for spatial analysis and mapping for emergencies such as equine influenza. While enhancements to the Frontgate application were required such as the creation of layers based on ANEMIS data, as much of the core functionality was pre-existing, the work was completed quickly at a low cost. Frontgate was used in all emergency centres to manage infected properties and provide real time reports on many aspects of the disease eradication program as well as general mapping. As a web delivered application it was available at the desktop of all staff working on the outbreak.
37. In NSW Anemis was used as the main disease tracing and vaccination recording system and was deployed via Citrix so it was readily available to all staff in all processing centers. Modifications to the application were required to make it fit for this purpose and there were delays caused by systems breakdowns. This response has confirmed that Anemis is now outmoded and obsolete and that investment in the development of Biosirt is essential.

### **Successful Multi-channel Communications Strategy in NSW**

38. The NSW DPI Equine Influenza Communications Campaign was the most intense of its type to take place in this country. Its successful implementation ensured the awareness, cooperation and compliance of the State's horse owners and maintained public confidence in the ability of NSW DPI to eradicate the disease. Multiple communication channels were used at different times, interchangeably and flexibly, to suit the phase in the campaign, the message and the target audience.
39. In NSW, about 300 media releases were written and distributed to statewide metropolitan, regional and horse specific media – 59 in the first seven days. The NSW DPI external website was rapidly developed into the most comprehensive and widely accessible equine influenza information resource nationally, generating an average of 2000 unique visits per day. The NSW and Queensland DPI websites were used extensively, the first time in an emergency animal disease response, to gather information and provide online registrations and applications for horse movement permits. A web-based horse property registration system was established early in the outbreak for horse owners.
40. This provided a substantial database of horse premise and population information additional to ANEMIS records and information available from industry sources. This information proved invaluable in broader strategic management of the outbreak response, particularly during the vaccination clearance and testing stages.
41. The Equine Influenza helpline 1800 675 888 received 38,000 calls by the end of December 2007. NSW DPI organised 58 community meetings across the State which were attended by 5,663 people. Several detailed information sheets were published in print form and posted to the website and disseminated to local outlets, such as saddleries and rural stores, where horse owners would visit. A massive print media advertising campaign was injected into the communications strategy as free editorial-based media interest diminished. In new media initiatives, podcasts of interviews with the Chief Veterinary Officer were posted to the DPI website daily, blogs and horse-industry web pages were monitored and provided with up-to-date information, video footage of key disease activities (for example, laboratory testing, vaccination) was

arranged and distributed to all television networks and email lists with a combined total of 12,000 people were used.

42. Consideration should be given to using the material and systems generated as a training tool. Prof Michael Studdert from the School of Veterinary Science, The University of Melbourne, in his report Equine influenza in Australia can be controlled and eradicated (2007) said ‘The equine influenza outbreak in Australia has created one of the most significant animal disease emergencies in Australian history. The Australian response to the outbreak has been remarkable and effective. The Internet sites set up by the Commonwealth and the States – particularly the NSW and Qld DPI sites – provide an extraordinary example of disease control in a modern age. These sites, preserved, will provide a valuable record of the events and a wonderful teaching resource for a next generation of students and for all involved in the control of infectious diseases’.

## DISCUSSION

43. In discussion, members agreed that Standing Committee provide a final report to Council on the experiences and lessons learnt from the 2007/08 EI incursion. This would also capture some of the work done by those jurisdictions that were not affected directly. Members also congratulated all those involved in dealing with the outbreak.

## RESOLUTIONS

44. Council:
- (a) **NOTED** progress on containing and eradicating equine influenza in Australia;
  - (b) **NOTED** the brief outline of the lessons learned from the equine influenza outbreak that could be applied to other exotic disease responses;
  - (c) **NOTED** the support and partnership of governments, industry and Animal Health Australia in managing the EI response;
  - (d) **REQUESTED** Standing Committee to provide a final report on the experiences and lessons learnt including information from all jurisdictions and organisations involved in the response to the 2007/08 EI incursion; and
  - (e) **CONGRATULATED** all involved in dealing with the outbreak.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.17</b>

### **DEVELOPMENT OF THE ORGANIC INDUSTRY**

1. The Queensland Department of Primary Industries and Fisheries held a Dialogue for Action forum (DFA) on 22 October 2007 as a tool to primarily engage the Queensland organic industry. The issues included:
  - the development and regulation of the standard;
  - the threat of Adventitious Presence (AP) of genetically modified organisms (GMO) traits in organic farming systems;
  - the perceived inequitable distribution of R&D levies;
  - the current lack of verifiable industry data; and
  - the need to recognise and support the Organic Federation of Australia (OFA) as the peak industry body.
2. The OFA's policy paper has been referred to the Industries Development Committee for further consideration.

#### **Regulation of the Australian Organic Standard**

3. The development of an Australian standard for organic and biodynamic produce is expected to be completed in December 2008. The introduction of a standard will ensure there is a consistent and recognisable national standard for organic production. This will assist in increasing the credibility of the industry as it will assist in the prosecution of fraud and misrepresentation.
4. At the DFA, the OFA was asked to provide a definitive position on its view regarding the regulation of the new standard. The OFA's position requires the new standard coming under the jurisdiction of the current Australian and state governments' regulatory systems.

#### **The threat of adventitious presence of GMO traits**

5. The Australian organic industry is strongly opposed to the introduction of genetically modified organisms. The OFA has proposed that the appropriate Australian and state regulatory agencies work with the OFA to create appropriate segregation regulations. They have also raised the need for appropriate legislation that allows for compensation if AP occurs.

6. Within Australia there are currently seven different organic standards and each of them specifies an AP threshold of 0.0 per cent. This contrasts to their treatment of non-GMO prohibited substances such as pesticides and herbicides, where there are non-zero thresholds for petrochemical pesticides and herbicides (up to 10 per cent contamination, depending on the standard concerned).
7. The European Union has an AP threshold of 0.9 per cent, creating a situation where the countries that Australian organic producers export to have lower standards than the domestic standard. This reduces the price competitiveness of Australian exports due to the high likelihood that the production costs of Australian organic produce will be significantly higher. Having a 0.0 per cent threshold for AP is not feasible due to the increase in costs that it will create.
8. A co-existence strategy is acknowledged as being necessary to minimise the impact on the organic industry of the introduction of GM crops. By agreeing to implement a co-existence strategy, the industry could have the opportunity to actively work with governments to manage GM crops across the entire supply chain reducing the threat of market losses through uncontrolled AP.

#### **R&D Levies**

9. The organic industry currently contributes research levies to the Research and Development Corporations (RDCs). The report, *Organic Agriculture in Australia – Levies and Expenditure* completed by the Rural Industries Research and Development Corporation (RIRDC) in 2003, analyses levies paid by organic farmers using data from 2000-01. The report concludes that organic farmers are not necessarily the full beneficiaries of the levies collected from them. This report is referred to by the OFA in their paper and is the main piece of evidence used to support this claim. The OFA would like all RDCs to contribute to organic research in partnership with RIRDC.
10. The OFA claims that by not receiving the full benefit of the levies contributed, it makes it difficult for the industry to expand.

#### **Current lack of verifiable industry data**

11. Due to the lack of data, it is difficult to estimate the size and potential for growth of the organic industry. The lack of data also makes it difficult to make decisions regarding future investment directions. Biological Farmers of Australia (BFA), a large representative body, is addressing the current lack of data regarding the industry via the production of the Australian Organic Market Report. The report will contain data collected from July 2006 to June 2007.
12. The OFA raised the suggestion of organic production being included as an ongoing category in ABARE farm surveys, which will allow an ongoing set of data to be accrued. This proposal is developed in the OFA position paper.

#### **Organic Federation of Australia/Australian Organic Hub**

13. The OFA, as the peak industry body, represents the interests of the whole organic sector to industry and to all levels of government. The OFA aims to:
  - (a) encourage the conversion to organic farming;
  - (b) lobby and liaise with government to develop policies that support organic farming systems; and

- (c) make consumers aware of the benefits of organic farming, such as chemical free food.
14. The Australian Organic Hub is an online tool to be developed by RIRDC and aims to facilitate the flow of information in the organic industry. It was raised at the DFA that the majority of information about organic farming is obtained from peers through word of mouth. The development of the hub will move towards a more transparent flow of information that will make information regarding organic farming systems more accessible.

## **DISCUSSION**

15. With regard to regulation of the standard once it was developed, members noted that this would be enforced under trade practice legislation.

## **RESOLUTIONS**

16. Council:
- (a) **NOTED** that the Organic Federation of Australia (OFA) is enthusiastic to work with state, territory and Australian governments to develop the organic industry nationally;
  - (b) **NOTED** the current lack of an official data collection process, which makes it difficult for the industry to demonstrate and therefore promote growth;
  - (c) **NOTED** that the development of an Australian Standard for organic and biodynamic produce is due for completion in December 2008; and
  - (d) **NOTED** that the OFA position paper has been referred by Standing Committee to the Industries Development Committee for further consideration.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.18</b>

## AGRICULTURAL TRADE – REVIEW OF DEVELOPMENTS

### World Trade Organization Doha Round Negotiations

1. On 8 February 2008, the Chair of the WTO Doha Round of agriculture negotiations released a revised draft agriculture modalities text. This represented an important step forward and forms the basis of the next intensive phase in the negotiations.
2. Pressure to finalise the Round is increasing, with some members eager to elevate negotiations to a Ministerial process. With many unresolved issues in agriculture and in other areas of the Round such as Non-Agricultural Market Access (NAMA), it is unclear whether enough progress can be achieved in the next few months to secure a deal this year. A successful deal on agriculture will need to include commercially meaningful new market access opportunities, real and substantive cuts to trade-distorting production subsidies, the elimination of export subsidies and effective disciplines on food aid that eliminate commercial displacement.
3. If agreement cannot be achieved within the short-term, events such as the United States (US) Presidential election campaign and the French presidency of the European Union (EU) in the second half of the year, may mean the Round is not finalised until 2009 at the earliest.

### WTO Dispute Settlement Actions

4. New Zealand (NZ) WTO action against Australia's quarantine measures for apples: On 31 August 2007, NZ requested dispute consultations with Australia on the measures identified in the final Import Risk Analysis for the importation of NZ apples. Formal consultations between Australia and NZ were held in Geneva on 4 October 2007 but these did not adequately address NZ's concerns. At NZ's request, a WTO dispute settlement panel was established on 21 January 2008 and panelists were appointed on 13 March 2008. The US, European Communities (EC), Japan, Chile, Taiwan and Pakistan have joined as third parties to the dispute. Australia and NZ will now prepare their first written submissions ahead of the first panel hearing. The Australian Government will continue to consult regularly with relevant stakeholders, including briefing state/territory government and industry representatives during the course of the dispute.
5. WTO action against US farm subsidies and export credits: A single dispute panel was created by the Dispute Settlement Body on 17 December 2007 in relation to US agricultural subsidy programmes and export credit guarantees for agricultural products following the requests by Canada (8 January 2007) and Brazil (11 July 2007) for

dispute consultations with the US. Australia has joined the dispute as a third party on the basis of legal and commercial interests. Other third parties are Argentina, the EC, Japan, India, Thailand, South Africa, Chile, China, Nicaragua, Chinese Taipei, Mexico and NZ.

6. WTO action against India's wine and spirits regime: On 6 March 2007 the US requested dispute consultations with India in relation to additional duties and taxes applied to India's imports of US wines and distilled products. The panel hearing took place on 17–19 September 2007 and Australia made a brief oral statement, having both commercial and systemic interests in the dispute. Other third parties are the EC, Japan and Vietnam.
7. Philippines WTO challenges to Australia's quarantine arrangements: The Philippines has not advanced its WTO challenge to Australia's quarantine regime (although it remains a 'live' dispute – initiated in 2003). In particular, it has not requested that the WTO compose a panel to hear its challenge, which is the next step in the dispute process, but is free to do so at any time. The Philippines' second WTO dispute against Australia's quarantine measures affecting the importation of fresh pineapples remains at the initial stage of bilateral consultations (initiated late 2002). On 5 December 2007, the Department of Foreign Affairs and Trade, in consultation with the Department of Agriculture, Fisheries and Forestry, commenced discussions with the Philippines aimed at reaching a mutually agreed solution to the WTO dispute on fresh pineapples.
8. Brazil – US cotton subsidies dispute: On 27 September 2002, Brazil requested the establishment of a WTO dispute settlement panel in relation to allegedly prohibited and actionable subsidies provided to US users and exporters of upland cotton. The Dispute Settlement Body established a panel on 18 March 2003 whereupon Australia reserved its third-party rights. The panel report circulated on 8 September 2004 found that US agricultural export credit guarantees were in violation of WTO export subsidy rules, that the US had granted several prohibited subsidies to cotton and that US subsidy programs for cotton had caused serious prejudice to Brazil by suppressing the world price for cotton. On appeal, the Appellate Body largely upheld the panel's findings. The report of the compliance panel was released on 18 December 2007. The compliance panel found the US had failed to remove the adverse effects of the marketing loan and counter cyclical payment subsidies that had been found to be causing significant price suppression. The compliance panel also found that the US was continuing to provide prohibited export subsidies through the GSM 102 export credit guarantee programme. The US will now be required to reform these programmes in accordance with the compliance panel's findings.

### **Free Trade Agreement Negotiations**

9. China: Ten rounds of negotiations have been held for the Australia-China FTA, the last of which was held in Canberra on 22-26 October 2007. While differences on some issues were narrowed and some useful changes to the proposed text of the agreement were made, overall progress in the negotiations continue to be slow. Following on from the ninth round, a session was held on agricultural products affected by Tariff Rate Quotas (TRQs). At this round the focus was on wool and sugar. China has agreed to Australia's proposal for joint studies of future demand and production of the TRQ commodities of interest to Australia (wool, wheat, cotton, rice and sugar). Timing for the next round will be finalised after China's Congress meets in March 2008.

10. Malaysia: Negotiations on an FTA with Malaysia have been underway since April 2005. Four full rounds of negotiations have been held with the most recent being in July 2006. No negotiations were held in 2007 due to the need for Malaysia to appoint a new lead negotiator. Malaysia's current negotiations on an FTA with the US has also been a factor in slowing Malaysia's negotiations with Australia, with Malaysia's attention and resources more focused on their US negotiations.
11. Gulf Cooperation Council (GCC): Two rounds of the Australia-GCC FTA have been held to date, in July/August and November 2007. Australia is seeking agreement for a third round in the first half of 2008. Useful progress was made in a number of important areas across the agreement, including goods, sanitary and phytosanitary, and Rules of Origin. The GCC is in negotiation with 11 countries, creating challenges in scheduling rounds. It is hoped that negotiations will be concluded by the end of 2008. An Australia-GCC FTA is expected to have a positive impact on regional Australia if negotiations succeed in improving market access for a range of Australian agricultural exports such as meat, coarse grains, dairy and horticulture.
12. Australia, NZ and the Association of South East Asian Nations (ASEAN): Negotiations have been underway since 30 November 2004. During 2007, these negotiations intensified as Australia, NZ and ASEAN countries attempted to bring the negotiations to a conclusion. Significant progress has been made across all areas. Text is currently being drafted for most chapters; however, progress on discussion of tariff elimination/reduction commitments has been slow and substantive negotiations are now expected to be completed by the middle of 2008. The next round of negotiations is scheduled to be held in Brisbane from 21-24 April 2008.
13. Japan: Initial goods market access offers and requests were exchanged at the fourth round of FTA negotiations with Japan, held in Tokyo in the week of 25 February 2008. Although the Japanese offer on agriculture was poor, progress was achieved on non-agricultural market access. Prospects for a breakthrough remain limited ahead of Japan's lower house elections (expected before March 2009). A fifth round of negotiations is scheduled for Canberra at the end of May 2008, at which Australia will continue to put the case for an ambitious FTA.
14. Republic of Korea: An exchange at officials' level on the joint private sector study into the feasibility of a bilateral FTA, initiated in 2007, is expected to be followed by presentation of the report to both governments in early 2008. Once officials have considered the final report, it is proposed that it be considered by Trade Ministers at the next meeting of the Ministerial Joint Trade and Economic Committee later in 2008.
15. Chile: The third round of negotiations was held in Canberra on 29 January – 1 February 2008. While our interests diverge in some areas, good progress has been made on the draft chapters of the FTA. Both parties have exchanged ambitious offers on market access for goods and are exploring ways to improve these offers further. The fourth round of negotiations will be held in Chile from 31 March – 4 April 2008.

16. Mexico: The Joint Experts Group is currently developing a report and plans to present its findings to the Australian and Mexican Ministers for Trade in May 2008. The report will include a chapter on the current economic and trade relationship, incorporating a section assessing the current agricultural trade relationship as well as identifying impediments to and opportunities for future agricultural trade. It is also expected that the report will provide a preliminary evaluation of a possible free trade agreement between Australia and Mexico.
17. India: Australia and India have agreed to undertake a joint feasibility study on the merits of an FTA between the two countries. Terms of Reference for the study are currently being finalised. DFAT is coordinating the study and has asked for public submissions by 28 March 2008. Industry consultation will be taking place during March through to May 2008 in capital cities.
18. Indonesia: In July 2007, Australia and Indonesia agreed to commence a joint feasibility study to examine the merits of a bilateral FTA. The Joint Study Group developing the feasibility study met for the first time in December 2007 in Jakarta. As with the India FTA feasibility study, the Department of Foreign Affairs and Trade is coordinating the study with input from stakeholders including the Department of Agriculture, Fisheries and Forestry. The next meeting of the Joint Study Group is scheduled for April 2008, in Canberra.

#### **International Treaty on Plant Genetic Resources for Food and Agriculture**

19. The International Treaty on Plant Genetic Resources for Food and Agriculture (the Treaty), negotiated under the auspices of the United Nation's Food and Agriculture Organisation (FAO), provides a legal framework for the conservation, sustainable use and international exchange of plant genetic resources for food and agriculture for global food security and sustainable agriculture. Access to new varieties is particularly important for Australia given increasing pressure in the agriculture sector to deal with water resource issues, pests and diseases and climate variability and change.
20. The Second Session of the Governing Body of the Treaty was held at FAO headquarters in Rome from 29 October - 2 November 2007. At its Second Session, the Governing Body adopted a budget and program of work and made progress on key issues such as implementation of the Funding Strategy and Farmers' Rights. However, the Governing Body recognised that while the Treaty is operating well, it is facing serious resource constraints.
21. The Governing Body expressed concern over the financial situation of the Treaty. Some parties have suggested that countries that have heavily influenced the Treaty negotiations, and wish to continue in this role, will need to consider fulfilling voluntary pledges to the Funding Strategy and the running of the Secretariat. Australia represents the South West Pacific Region on the Bureau of the Governing Body and has provided assistance to the South West Pacific Region developing countries, through the Secretariat of the Pacific Community, to accede to and engage in Treaty activities.
22. In 2008, we will need to consider the need for further support and activities in relation to plant genetic resources and the Treaty.

### **US Farm Bill 2007**

23. Expected progress on the 2007 US Farm Bill has been slow. The current US (2002) Farm Bill provisions were due to expire on 15 March 2008, but Congress has extended this to 18 April 2008 in order to finalise an agreed framework for the new Bill. President Bush is threatening to veto any Farm Bill presented to him that is funded through an increase in taxation beyond agreed limits. The Administration's proposal for the Farm Bill includes an increase in funding of US\$10 billion over ten years. While conferencing in the House and the Senate has not commenced formally, the Chairs of the relevant House and Senate Agriculture Committees and Ways and Means Committees are negotiating with the Administration about both the amount of the funding proposal and the reforms to be included in the Bill. Australia remains disappointed with the likely perpetuation of US trade-distorting policies and the lost opportunity for reform, given the current high commodity prices and the consequent reduced need for farm support.

### **European Developments**

24. A number of Swedish retailers are interested in sourcing supplies of wool from unmulesed sheep. We are concerned that this may spread to involve retailers in other European markets. The wool industry's briefing of Swedish retailers raised perceptions of industry disunity over commitment to the voluntary 2010 deadline for phasing out surgical mulesing. The group People for the Ethical Treatment of Animals also alleges that the industry has 'reneged' on this undertaking. Representations to the Swedish Government from the Australian Ministers for both Trade and Agriculture and by Australian Government officials in Australia and Sweden have supported the industry's intention to meet the deadline.
25. In November 2007, the EU announced in November 2007 a review of the Common Agricultural Policy. Australia will submit a paper highlighting how Australia has benefited from agricultural sector reform. This submission will be consistent with Australia's Common Agricultural Policy reform strategy and will be supported by advocacy efforts by Australian officials and industry representatives in Europe, including in meetings with the EC Commissioner for Agriculture and Rural Development, Marion Fischer Boel.
26. Australian Government agencies and industry continue their efforts to have Russia reverse a decision to remove the ports of Vladivostok, Nakhodka and St Petersburg from a list of customs entry ports. Australian meat exports to Russia were worth around \$138 million in 2006-07.

### **Middle East Developments**

27. Memorandum of Understanding (MoU) in live animal trade: We are working to finalise MoUs in the remaining Middle East countries with which we trade – namely Oman, Bahrain and Israel. Bahrain has indicated it may be willing to finalise an MOU with Australia, subject to limits being placed on the number of animals on-board vessels on arrival. For Oman, the MoU is currently awaiting Omani Ministerial agreement.

28. Live trade to Egypt: Changes to the MoU to enable cattle to be processed through a new ‘closed system’ facility at the Port of Ain Sokhna have been agreed by Australian and Egyptian officials. Minister Burke’s approval to recommence the trade in live cattle is being sought. This will be formalised by an exchange of letters with his Egyptian counterpart agreeing to amendments to the MoU on the Handling and Slaughter of Australian Live Animals. When trade in slaughter cattle resumes it will be subject to a high level of scrutiny by the Australian Government and the live export industry.
29. Animal Welfare: On 11 February 2008, the World Society for the Protection of Animals commenced a campaign against the long distance transport of animals, with a key focus of banning the live sheep trade to the Middle East. The Department of Agriculture, Fisheries and Forestry is continuing to work with the live animal export industry to identify and address areas of concern with animal handling and slaughter practices in key markets. Animal welfare projects in the Middle East and South East Asia: include training in the identification and management of heat stress in sheep; facilitating improvements to government strategic planning; education and training in animal welfare training and awareness in transportation; feedlot management and abattoir development, and installing restraint boxes in abattoirs in Indonesia, Jordan and Libya.
30. Libya – Sheep: The first shipment of live sheep (5,000 head) to Libya in over ten years has been exported. In advance of the sheep being processed, the Australian Government is funding upgrades to three Libyan abattoirs so the animals can be handled humanely. Similar upgrades were undertaken in cattle facilities when the trade resumed in 2007.
31. Sudan – Dairy Cattle: Sudan has expressed interest in import of dairy cattle into large farms in Sudan. A draft MoU and health protocol was provided for consideration to Sudan in October 2007.
32. Jordan – Pest Risk Analysis: Jordan requested information from Australia for a pest risk analysis for a range of horticultural commodities. In September 2007, the Department of Agriculture, Fisheries and Forestry provided Jordan with information for the following commodities: mango, avocado, table grapes, apple and guava. Jordan stopped issuing import permits for these commodities in early 2007.

### **South and South East Asia and the Pacific Developments**

33. Indonesia – Regulations for offal imports: Regulations covering the import and control of meat and meat products remain in place, restricting trade in Australian beef offal products to Indonesia. The issue was discussed at Ministerial level and by senior quarantine officials at the 13<sup>th</sup> Australia – Indonesia Working Group on Agriculture, Food and Forestry Cooperation on 28 August 2007. Australia has submitted a formal request for a food safety risk assessment to be conducted, as the first step in reinstating trade in currently prohibited offal products. The Australian Government is continuing efforts in an attempt to resolve this issue, including the provision of technical information that Indonesia can use to conduct a risk assessment on currently prohibited products.
34. Indonesia – Draft regulations for food safety control of plant products: Indonesia has proposed draft regulations concerning food safety control for fresh foods plant of origin. The draft regulations include overly burdensome requirements for pre-export

testing and certification of grains, fresh fruit and vegetables for freedom from, or compliance with maximum residue levels, for various chemicals. There are also Hazard Analysis Critical Control Point certification requirements that would be problematic to address. Indonesia is currently considering trading partner comments on the draft regulations and has indicated a willingness to recognise Australia's production systems as providing an equivalent level of food safety protection as that proposed in the draft regulations. Indonesia has not yet issued a revised draft of the regulations.

35. Philippines – meat access: The Philippines published a new Administrative Order for the export of meat and meat products to the Philippines on 7 January 2007. To continue to export meat and meat products to the Philippines, this order requires that all countries apply for formal approval and be audited by the Philippines. The Australian Quarantine and Inspection Service (AQIS) has submitted the required questionnaire, formally applied for systems approval and will facilitate an in-country audit of Australia's system. The Philippines has advised that imports of meat and meat products from Australia will be able to continue under the current rules and regulations while they are in the process of conducting the systems approval.
36. Philippines – meat and bone meal access: The Philippines have lifted the temporary ban on the importation of meat and bone meal from New Zealand. AQIS, in consultation with the rendering industry, developed a submission requesting the Philippines lift the temporary ban, imposed in 2001 on imports of meat and bone meal from Australia. The submission was presented to the Philippines Department of Agriculture for their consideration. In February 2008, Philippine officials conducted an on-site audit of the Australian rendering system, a major step in the process of re-gaining meat and bone meal market access.
37. Thailand – Australia Joint Working Group on Agriculture: The Joint Working Group met in Canberra in August 2007. The agenda included: Thailand – Australia FTA implementation issues; a dialogue on agricultural policy; technical cooperation activities; bilateral cooperation and exchanges; and a presentation by the dairy industry on its interests in Thailand. A number of Australia's concerns including transparency of Tariff Rate Quota administration for dairy products and special agricultural safeguard administration will be followed up out-of-session. The Department of Agriculture, Fisheries and Forestry reported on agricultural cooperation projects with Thailand involving the Department, AusAID and the Australian Centre for International Agricultural Research.
38. Thailand – Australia Expert Group on Sanitary and Phytosanitary Measures and Food Standards: The Sanitary and Phytosanitary Expert Group met in Canberra on 13 September 2007, to exchange information on regulatory reforms. Discussions included Australia's reforms of its import risk analysis process, Thailand's new plant quarantine regulations, market access requests for animal and plant products, cooperation activities and updating the group's work plan for 2007-09.
39. Thailand – Plant Quarantine Regulations: New regulations for importation of prohibited and restricted plants and plant products came into force on 31 July 2007. DAFF has been working closely with industry to meet the Thai requirements and has provided Thai authorities with the relevant technical information to minimise any impact on trade arising from the regulations.

40. Malaysia – Access for Australian Halal meat: AQIS, in consultation with industry, has worked with Malaysian officials to develop a protocol for Halal slaughtering of cattle. In March 2006, a Malaysian delegation audited five establishments against the protocol with three gaining approval, effective from 6 April 2006. Following representations by the former Minister, the Australian High Commissioner and AQIS, Malaysia agreed in January 2007, to inspect further establishments. Malaysia conducted an audit of eight Australian establishments during the period 31 August - 7 September 2007. The program included a demonstration visit to an independent boning room. Malaysia has advised that all eight establishments have been approved and has suggested that a technical delegation from AQIS visit Malaysia to progress the issue of access for independent boning rooms.
41. Malaysia – Tariff Rate Quotas (TRQs): Malaysia plans to implement TRQs on 18 agricultural tariff lines, covering dairy, pigs, pig meat, chickens, poultry meat and offal, eggs and cabbage. Whilst not welcome, this move is not inconsistent with Malaysia's WTO commitments. Malaysia has most recently indicated that implementation arrangements for the TRQs are expected to come into effect on 1 April 2008. DAFF will continue to keep industry members informed of developments and details as to how the TRQs will operate as these become available from Malaysia. DAFF, in conjunction with the Australian High Commission in Kuala Lumpur, has made a number of representations to Malaysia on this issue and continues to do so as opportunities arise. Malaysia has agreed to consult with Australia on implementation arrangements for the TRQs.
42. Malaysia – Agricultural Cooperation Working Group: The Malaysia-Australia Agricultural Cooperation Working Group met on 9-10 August 2007 in Malaysia. Key outcomes included: Malaysia advising it wanted to conduct further audits of Australian Halal meat establishments as soon as possible (consequently, Malaysia conducted an audit of eight Australian establishments during the period 31 August - 7 September 2007 and have since advised that all eight establishments have been approved); confirmation that Malaysia would reduce its tariffs on flavoured yoghurt to the level of the WTO bindings; and Malaysia's agreement to consider access for an expanded range of Australian pork products. Malaysia also agreed that Australian states and territories could participate in future meetings of the Working Group.
43. New Zealand (NZ): Hazardous Substances and New Organisms (HSNO) Act court ruling: possible delays in gaining market access. On 4 December 2007, a NZ court ruled the Import Health Standard (IHS) for Australian honey imports (except those from Western Australia) was invalid, as the imports would not meet the requirements of the HSNO Act. As a result, the NZ Government advised that it will not finalise or amend IHSs for market access requests until it resolves the legislative inconsistency between the NZ *Biosecurity Act* and the HSNO Act. However Biosecurity NZ has advised that it will continue to work on IHSs for market access requests currently on their work plan. The NZ Government expects to finalise legislative amendments in March 2008.

### North Asia Developments

44. Taiwan Plant Quarantine Requirements: The Australian Government is continuing to make every effort to restore access following the disruption to Australia's fruit exports to Taiwan caused by the enactment, on 1 January 2006, of Taiwan's amended plant quarantine requirements upgrading Queensland fruit fly from precautionary to prohibited status.
45. Australia resubmitted its proposal for improved access to Taiwan for citrus (two and three degree cold disinfestation) to Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine in December 2006. Taiwan's Quarantine Advisory Committee (QAC) considered this submission at its September 2007 meeting. Taiwan's QAC accepted Australia's submission for cold disinfestation to be conducted at two degrees, but requested further verification of cold disinfestation treatment at three degrees. Australia has provided a verification proposal for Taiwan's consideration.
46. On 28 June 2007, Australia provided Taiwan with cold disinfestation research data supporting a request to regain market access to Taiwan for stonefruit and cherries. Australia is seeking expedited consideration of the research data to enable market access to be regained as soon as possible. Government officials and delegations made a number of visits to Taiwan during 2007 to encourage prompt consideration of the research data and reopening of the market. During Australia's Counsellor (Agriculture) Seoul's most recent visit 3 - 6 December 2007, the outcomes of the October Agriculture Working Group meeting were followed up, including providing Taiwan with additional information on technical issues and requesting that Taiwan speed up progress on their review of Australia's research data.
47. Japan Market access gains: Recent gains include Japan's acceptance of Australia's technical report of the efficacy of two and three degree cold disinfestation schedules for citrus. The public consultation period ran from 9 July - 17 August 2007. Japan amended its import protocol for Australian citrus to include these additional treatment options on 20 September 2007. After sustained efforts by Australia, Japan agreed to a reduction in the inspection rate for fresh mangoes from five per cent to two per cent commencing October 2007. Japan has also agreed to a pilot trial for a non-fumigation protocol for Tasmanian cherry exports, which commenced in October 2007 and is expected to be completed in early 2008. In January 2008, Japan agreed to the import of live buffalo from Australia under the current protocol for breeding cattle.
48. Republic of Korea – Rice: Australia was unable to tender for the 2006 country specific quota due to drought. The Australian rice industry provided advice in early October that it was unable to fulfil the 2007 quota again, due to drought.
49. Republic of Korea – Live Animal Exports: Negotiations between DAFF and the Korean National Veterinary Research and Quarantine Service (NVRQS) to resume the live cattle trade to Korea resulted in agreement to a visit by NVRQS to Australia from 2-8 March 2008. The visit provided an opportunity for NVRQS officials to observe Australian disease management and control processes on a first-hand basis. The delegation has proposed revised conditions for imports, which provide the basis for further negotiations for the resumption of the trade.

50. Republic of Korea – Market Access Gains: Recent gains include an agreed import protocol for the import of Australian mangoes into Korea in 2007. However, for commercial reasons, there was no trade during the 2007 mango season. Korea has also amended its import protocol for Australian citrus to include the option of cold disinfestation at two degrees instead of only one degree. Access for Tasmanian carrots into Korea was regained on 13 November 2007, following Korea's acceptance of Tasmania's area freedom from the burrowing nematode.
51. China Agricultural Technical Cooperation (ATC) Programme: Two new projects have been approved by the ATC Steering Group for the 2007-08 round. A project to enhance China's capacity for processing superfine Australian wool; and a benchmarking study between China's draft forest certification scheme and the programme for the endorsement of forest certification schemes. ATC projects approved previously covered dairy husbandry training; fine wool marketing; and livestock production education (to improve grasslands management).
52. Australia – China Memorandum of Understanding (MoU) on Cooperation in Sanitary and Phytosanitary (SPS) Matters: The high level dialogue under the SPS MoU is expected to be held in the second quarter of 2008, after it was postponed due to China's resource constraints. The SPS MoU and related technical bilateral meetings are designed to provide a forum for cooperative discussion in the area of animal, plant and human health, and to pursue market access issues.
53. China – Wool Tariff Rate Quota (TRQ): Australia is continuing its dialogue with China's Ministry of Commerce (MofCom), the agency responsible for administering the TRQ. MofCom has made positive changes to the TRQ regulations for 2008 but there are still two main issues for Australia; namely, that the TRQ is restricting the long term growth of the wool processing industry and therefore Australian exports of wool; and that China is not administering the TRQ in a way that is responsive to market conditions and end-user preferences. The Department of Agriculture, Fisheries and Forestry and the Department of Foreign Affairs and Trade continue to work closely with industry in discussions with MofCom, to address the uncertainty in the trade caused by the TRQ. As part of the Australia-China FTA negotiations, China has agreed to undertake a cooperative economic research project on the future supply and demand of wool and wool textiles.

## RESOLUTIONS

54. Council:
  - (a) **NOTED** recent developments relating to agricultural trade policy, including intensive discussions aimed at reaching convergence on some of the many outstanding issues in the World Trade Organization (WTO) Doha Round of agriculture negotiations;

- (b) **NOTED** ongoing negotiations for prospective Free Trade Agreements (FTAs) with Chile, China, the Gulf Cooperation Council, Malaysia and Japan, and negotiations for a regional FTA between the Association of South East Asian Nations and New Zealand; and
- (c) **NOTED** continued efforts to secure new and existing export opportunities in key markets for Australia's agricultural products.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.19</b>

## FOOD REGULATION ISSUES

### Primary Production and Processing Standards

1. Consistent Implementation – At its August 2007 meeting, the Food Regulation Standing Committee (FRSC) agreed to principles that provide a basis to amend the Council of Australian Governments' Food Regulation Agreement (FRA), including the Model Food Provisions (MFP) to promote consistent implementation of primary production and processing (PPP) standards across jurisdictions.
2. At its March 2008 meeting, FRSC agreed to draft amendments to the FRA and that the PPP Working Group will advise FRSC of the necessity for amendments to the Model Food Provisions following consideration of Food Standards Australia New Zealand's (FSANZ) consultation with jurisdictions on consistent implementation of PPP standards. The next FRSC meeting is scheduled for August 2008.
3. Poultry Meat – The development of the Code of Practice by FSANZ to assist the poultry industry and enforcement agencies implement the draft standard is progressing. The draft Code of Practice is expected to be finalised in mid 2008.
4. Dairy – Food Standards Australia New Zealand (FSANZ) is considering the regulatory framework for raw milk and raw milk products.
5. Eggs and Egg Products – FSANZ is undertaking a through-chain scientific analysis of risks associated with production and processing of eggs and egg products.

### Mandatory Fortification of Food

6. The draft standard for mandatory fortification of bread-making flour with folic acid was approved by the Australia New Zealand Food Regulation Ministerial Council (ANZFRMC) on 22 June 2007. Manufacturers will have two years to comply with the new requirements.
7. ANZFRMC has requested a comprehensive and independent review of the standard be undertaken two years post-implementation to consider its effectiveness and the costs to industry.
8. The framework to monitor changes in the incidence of neural tube defects and the amount of folic acid in the food supply was endorsed by the Australian Health Ministers' Advisory Council (AHMAC) in October 2007. AHMAC agreed that the Australian Institute of Health and Welfare should conduct monitoring activities within

the framework and will provide \$300,000 funding for the implementation costs of the framework.

9. A New Zealand only standard for the mandatory replacement of salt with iodised salt in bread has been notified to ANZFRMC. Australia has been removed from the draft standard because the severity and prevalence of iodine deficiency in Australia is still being assessed. Depending on the outcomes of this assessment, an Australian proposal may be prepared.

#### **Amendments to the *Food Standards Australia New Zealand Act (FSANZ) 1991***

10. On 1 July 2007, a number of amendments to the *FSANZ Act 1991* were proclaimed, many of which took effect on 1 October 2007. The key amendments relating to FSANZ's assessment processes are:
  - Application requirements: The amended Act enhances the application process, by providing clearer information to industry on application requirements and procedures.
  - FSANZ assessment and public consultation processes: The amended Act addresses issues concerning the timeframe for decision-making on food standards.
  - ANZFRMC reviews: Under the amended Act, any one member of ANZFRMC can request one review. This amendment does not come into effect until the Review of the Agreement between the Government of Australia and the Government of New Zealand Establishing a System for the Development of Joint Food Standards is finalised.
  - Protection of commercially valuable information: The amended Act addresses the industry concerns about protecting valuable information by including a new process for the scientific pre-market assessment and approval of high level health claims.

#### **Amendments to the Council of Australian Governments' (COAG) Food Regulation Agreement (FRA)**

11. The ANZFRMC conducted a review of the FRA in 2006. In April 2007, COAG agreed that ANZFRMC should commence work on re-drafting the FRA to better reflect the current status of the food regulation system and to give effect to the FSANZ Act amendments. In October 2007, ANZFRMC endorsed the proposed amendments to the FRA and referred the updated FRA to COAG for consideration.

#### **Health, Nutrition and Related Claims**

12. FSANZ is progressing the health, nutrition and related claims proposal, which will provide a framework for food manufacturers to make claims on food. A nutrient profiling model is being developed to determine which foods will be allowed to carry claims.
13. There are concerns that nutrient profiling individual foods may disadvantage some products and detract from the public health message that moderation is central to an overall healthy diet. Using the draft nutrient profiling tool, certain foods such as honey and macadamia nuts may be prohibited from making claims.
14. Further consultation on this proposal was undertaken and FSANZ will consider issues raised during consultation before presenting a draft standard to the FSANZ Board in March 2008.

### **Policy Guideline on the Addition to Food of Substances other than Vitamins and Minerals**

15. At its March 2008 meeting, FRSC endorsed the revised Draft Policy Guideline for the Addition to Food of Substances other than Vitamins and Minerals and agreed to forward the draft policy guideline to the ANZFRMC for their consideration in May.

### **Front of Pack Labelling**

16. The FRSC Front of Pack Working Group is continuing to prepare a final report for endorsement by FRSC in August 2008 and ANZFRMC in October 2008.

### **DISCUSSION**

17. Members were advised that the amendments to the *Food Standards Australia New Zealand Act 1991* cannot come into force until the relevant amendments have been made to the food treaty and that New Zealand regarded negotiations as a matter of priority.
18. Members were informed of New Zealand's support of the standards in relation to health, nutrition and related claims and advised that New Zealand will undertake necessary legislative changes as soon as it is accepted by the Australia New Zealand Food Regulation Ministerial Council.

### **RESOLUTION**

19. Council **NOTED** progress on the following food regulation issues:
  - (a) primary production and processing standards;
  - (b) mandatory fortification of food;
  - (c) amendments to the *Food Standards Australia New Zealand Act 1991*;
  - (a) amendments to the Council of Australian Governments' Food Regulation Agreement;
  - (d) health, nutrition and related claims;
  - (e) policy guideline on the Addition to Food of Substances other than vitamins and minerals; and
  - (f) front of pack labelling.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.20</b>

### FINANCIAL REPORT

1. Standing Committee is required to report to Council on all expenditures agreed within its limit of \$1 million in any one instance. Decisions on expenditure above \$1 million are made by Council.
2. A summary of the financial items agreed by PISC 14 and PIMC 13 is at Annex A.

### RESOLUTION

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

**ANNEX A:** Summary of expenditure items

## SUMMARY OF EXPENDITURE ITEMS

### AGREED BY PISC 14 OUT-OF-SESSION

#### OOS 02 State representative on the Australian delegation to the 34<sup>th</sup> Ministerial conference, Rome, November 2007

Funding up to \$14,400 for Mr Ian Longson's attendance at FAO Conference with the following member contributions:

	%	\$
New South Wales	34.4	4,953.60
Victoria	25.1	3,614.40
Queensland	19.1	2,750.40
Western Australia	10.0	1,440.00
South Australia	7.8	1,123.20
Tasmania	2.5	360.00
Northern Territory	1.1	158.40
<b>TOTAL</b>	<b>100.0</b>	<b>14,400.00</b>

### AGREED BY PISC 14 IN-SESSION

#### 3.10 BioSIRT – Progress and Strategic Issues

Ongoing funding as originally estimated in 2004, with member contributions as follows:

	%	\$
Australian Government (DAFF)	50.00	83,500
New South Wales	16.49	27,538
Victoria	12.42	20,741
Queensland	9.83	16,416
Western Australia	4.93	8,233
South Australia	3.82	6,379
Tasmania	1.20	2,005
Australian Capital Territory	0.82	1,370
Northern Territory	0.49	818
<b>TOTAL</b>	<b>100.00</b>	<b>167,000</b>

Further funding to provide national program staff to facilitate the optimal implementation and integration of the BioSIRT system across Australia in 2008-09, with member contributions as follows:

	%	\$
Australian Government (DAFF)	50.00	330,000
New South Wales	16.49	108,834
Victoria	12.42	81,972
Queensland	9.83	64,878
Western Australia	4.93	32,538
South Australia	3.82	25,212
Tasmania	1.20	7,920
Australian Capital Territory	0.82	5,412
Northern Territory	0.49	3,234
<b>TOTAL</b>	<b>100.00</b>	<b>660,000</b>

#### **AGREED BY PIMC 13 IN SESSION**

##### **8A European House Borer (EHB) Program**

Funding, subject to Treasury approval processes, for extension of the EHB program funding from 1 January to 30 June 2009, with member contributions as follows:

	%	\$
Australian Government (DAFF)	50.00	880,000
New South Wales	16.80	295,680
Victoria	12.24	215,424
Queensland	9.63	169,488
Western Australia	4.88	85,888
South Australia	3.87	68,112
Tasmania	1.20	21,120
Australian Capital Territory	0.82	14,432
Northern Territory	0.56	9,856
<b>TOTAL</b>	<b>100.0</b>	<b>1,760,000</b>

**AGREED BY JOINT PIMC 13/NRMSC 13 IN-SESSION****3C National Agricultural Monitoring System (NAMS)**

Reduced funding requirement for the continued operation and maintenance of the NAMS in 2008-09, with member contributions as follows:

	%	\$
Australian Government (DAFF)	50.00	611,062
New South Wales	12.57	153,621
Victoria	11.74	143,477
Queensland	10.82	132,233
Western Australia	7.09	86,648
South Australia	6.04	73,816
Northern Territory	0.48	5,866
Tasmania	1.23	15,033
Australian Capital Territory	0.02	244
<b>TOTAL</b>	<b>100.0</b>	<b>1,222,000</b>

**3H Electric Ant Eradication Program**

Funding for 2008-09 and 2009-10 for the Electric Ant Eradication Program, subject to successful review of the program and jurisdictions' budgetary processes, with member contributions as follows:

	%	2008-09 \$	2009-10 \$
Australian Government	50.0	701,500	706,500
New South Wales	19.2	269,376	271,296
Queensland	11.6	162,748	163,908
Victoria	9.9	138,897	139,887
Western Australia	4.6	64,538	64,998
South Australia	2.5	35,075	35,325
Australian Capital Territory	1.0	14,030	14,130
Tasmania	0.6	8,418	8,478
Northern Territory	0.6	8,418	8,478
<b>TOTAL</b>	<b>100.0</b>	<b>1,403,000</b>	<b>1,413,000</b>

**OUT-OF-SESSION ITEMS**

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.21</b>

*Finalised out-of-session 27 June 2007*

## AUSTRALIAN STANDARD FOR HYGIENIC RENDERING OF ANIMAL PRODUCTS

1. Primary Industries Health Committee (PIHC) requested Meat Standards Committee (MSC) to review the Rendering Standard in line with the following terms of reference:
  - The scope of the Standard should include all rendering operations and end products produced.
  - The Standard should be sufficiently prescriptive to ensure the safety of end products is appropriately managed whilst remaining outcome based and allowing for equivalence and alternative techniques.
  - Consideration as to whether the Standard should include post-processing microbiological monitoring protocols.
  - Consideration of requirements for post-production, storage and transport to prevent contamination of end products.
  - Consideration of labelling requirements for all end products.
  - Consideration of requirements to identify source material for trace back purposes.
  - Prescription of acceptable source materials for the production of edible end products.
  - Requirements for separation of source material intended for edible end products and source material intended for inedible end products.
  - Requirements for separation of end products intended as edible and end products intended as inedible.
  - Harmonisation with Codex Code of Practice.
  
2. On 22 March 2006, the MSC endorsed the draft amended version of the Rendering Standard and released it for a six-week stakeholder consultation period prior to final approval.
  
3. Within the terms of reference for the review of the Rendering Standard, were matters relating to rendered products for human consumption that were outside of the scope of the draft Standard proposed by MSC. These matters will require consideration by Food Standards Australia New Zealand (FSANZ) during the development of the Meat Primary Production and Processing Standard.

4. The rendering industry expressed concern during the review process about the need to harmonise the detail of prescribed labelling requirements across the States and Territories. Such harmonisation would require legislation to be amended in a number of states and territories. It was considered that this issue could not be addressed as part of the review of the Rendering Standard.

#### **RESOLUTION**

5. Council **ENDORSED** the final draft of the amended version of the Australian Standard for Hygienic Rendering of Animal Products (Rendering Standard) at Annex A.

**ANNEX A:** Australian Standard for Hygienic Rendering of Animal Products  
*[Annex is held by the Secretariat]*

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.22</b>

*Finalised out-of-session 2 October 2007*

### AUSVETPLAN MANUAL – EQUINE INFLUENZA

1. AUSVETPLAN is a series of technical response plans that describe the proposed Australian approach to an emergency animal disease incursion. The documents provide guidelines to combat disease emergencies based on sound analysis, linking policy, strategies, implementation, coordination and emergency management plans.
2. Animal Health Australia commissioned Dr Patricia Ellis to review the equine influenza AUSVETPLAN manual. The revised draft manual was considered by the AUSVETPLAN Technical Review Group (TRG) in July 2006.
3. The significant issue is the role of vaccination in an emergency response. The revised policy now included in the draft manual would give state and territory chief veterinary officers options to recommend the use of vaccination based on practical guidelines. It would also provide an opportunity for vaccination to be included in a response strategy in situations when it would contribute to the effective management of a disease incursion.
4. Section 3.2.4 of the revised manual now reads:
 

Australia's policy is that vaccination will not be used if an Equine Influenza (EI) outbreak is detected early and can be confidently contained by effective movement controls. Vaccination of horses may be approved:

  - if the disease is widespread when detected,
  - if significant numbers of horses are at immediate risk, or
  - if initial control methods have failed, the disease has spread beyond the original RA (restricted area) and is likely to become endemic in the general equine population.
5. There is no equine influenza vaccine currently registered for use in Australia although the vaccine is available for special use in horses exported from Australia. The Department of Agriculture, Fisheries and Forestry is currently investigating availability and the Australian Pesticides and Veterinary Medicines Authority have indicated that an emergency permit may be required for use in an outbreak. Emergency permits are issued to allow legitimate use of vaccines, where the vaccine is not registered.

**RESOLUTION**

6. Council **ENDORSED** the revised AUSVETPLAN Equine Influenza Manual (Annex A).

**ANNEX A:** AUSVETPLAN Disease Strategy Equine Influenza, Version 3.0, 2007  
*[Annex is held by the Secretariat]*

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.23</b>

*Finalised out-of-session 20 May 2008*

## AVIAN INFLUENZA DEVELOPMENTS AND WORKSHOPS

1. Council last considered developments in regard to Avian Influenza (AI), including an operational policy for handling HPAI in wild birds, at PIMC 12 (April 2007).

### **International Situation**

2. Since 2003, there have been 335 confirmed human cases reported to the World Health Organisation (WHO), including 206 deaths. Indonesia has been the worst affected, with 113 cases and 91 deaths.
3. Outbreaks of highly pathogenic H5N1 AI virus continue to be reported in Asia and Africa. Recently, the virus has resurfaced in Europe with outbreaks reported in the United Kingdom, Czech Republic, Germany and France. In general, these countries have responded strongly and rapidly and, although there appears to have been some local spread, the outbreaks are apparently being controlled. In India, poultry were detected with H5N1 (which was their first reported outbreak since June 2006), but India has since declared notifiable AI free country status.
4. International experts expect that the current H5N1 epizootic in birds in Asia, Europe and Africa will continue for at least the next five to ten years. There is continuing international concern about the ongoing widespread infection of poultry in Indonesia, Nigeria, Egypt and Bangladesh. It is believed that continuing high risk poultry production and marketing practices in several countries contribute to the sustainability of the virus. As control programs in countries such as China and Vietnam are dependent on effective vaccines, reports of vaccine failures are also a concern, but in most cases there is a lack of detailed investigation into the cause of the failure. Spread in Indonesia continues, with fresh outbreaks being reported in Papua and Maluku provinces. These provinces are within the range of some Australian wild birds.
5. Low pathogenic strains of avian influenza have been detected in poultry in a number of European countries and the United States. Low pathogenic H7N2 was reported in Wales and England in late May 2007. Both outbreaks originated from the same source. More recently, the United States detected low pathogenic H5N1 of North American lineage in turkeys during pre-slaughter on a farm in Virginia.

### **Australian Situation**

6. The enhanced Australian wild bird surveillance program has now been running for over 12 months. A range of low pathogenic strains of AI have been detected, including low

pathogenic H5 and H7 strains. H5 and H7 are of importance because of their potential to mutate into HPAI strains. The H7 strains detected are related to the strains responsible for earlier outbreaks of HPAI in Australia. These findings are not unexpected. The program has also been able to exclude HPAI in wild bird mortality events that have been investigated.

7. The risk to Australian poultry is not only from the very serious Asian H5N1 strains, but also more immediately from endemic low pathogenicity strains circulating in wild birds in Australia. These findings from the wild bird surveillance program further reinforce the importance of biosecurity in protecting poultry from both exotic and endemic strains of avian influenza virus.

#### **Government/Industry Workshop**

8. The Department of Agriculture, Fisheries and Forestry (DAFF), in conjunction with Animal Health Australia (AHA), convened a workshop in Sydney on 5-6 June 2007, to progress an integrated approach to AI by government and industry. Representatives from DAFF, state governments, Australian Government Department of Health and Ageing, Food Standards Australia New Zealand, the Australian Animal Health Laboratory, AHA, poultry industry and key stakeholder organisations participated in the workshop. Issues covered at the workshop included the current global situation and threat, biosecurity, vaccines, domestic poultry surveillance, wild bird surveillance and communications. A number of resolutions were agreed by the workshop (Annex A).
9. The agreed resolutions will be incorporated into the Emergency Animal Disease Action Plan maintained by AHA to ensure appropriate actions are taken.

#### **RESOLUTIONS**

10. Council:
  - (a) **NOTED** the current international situation and recent developments for highly pathogenic avian influenza (HPAI);
  - (b) **NOTED** that avian influenza (AI) remains a serious threat, and that government and industry must remain vigilant with prevention and preparedness measures; and
  - (c) **SUPPORTED** the resolution of the key issues from the government/industry workshop held in June 2007 (Annex A).

**ANNEX A:** Agreed Resolutions from the Government/Industry Workshop on an Integrated Approach to AI

## **AGREED RESOLUTIONS FROM THE GOVERNMENT/INDUSTRY WORKSHOP ON AN INTEGRATED APPROACH TO AI**

### **General**

- Participants **NOTED** the continuing global situation and **AGREED** that avian influenza remains a serious threat, and that government and industry must remain vigilant with prevention and preparedness measures.
- Participants **AGREED** that this forum should meet again [March/April/May 2008] to consider progress in government and industry prevention and preparedness activities for avian influenza.

### **Biosecurity**

- Participants **AGREED** that effective biosecurity practice is crucial for minimising Australia's risk and impact of avian influenza and that governments and the poultry industry should continue to develop and implement strong, risk-based biosecurity procedures.
- Participants **AGREED** to establish a small industry-led consultative group to develop policy proposals.
- Participants **AGREED** that the small consultative group develop options for 'auditable biosecurity systems' for government/industry consideration. Out-of-session document circulation by group members to ensure selection of preferred systems by December 2007.

### **Vaccination**

- Participants **AGREED** to the ongoing development of a national avian influenza vaccination policy and **SUPPORTED** the interim guidelines and incorporation in AUSVETPLAN.
- Participants **AGREED** that there was an urgent need to identify an appropriate vaccine for wider industry use.
- Participants **AGREED** to the further development of options through the National Avian Influenza Vaccine Experts (NAIVE) group (reports to the Animal Health Committee) for vaccine contingency supply arrangements. Preferred option identified from the DAFF options paper was:
  - 8.1 – Australia enters into a commercial arrangement with vaccine manufacturers or supplier for the maintenance of an agreed volume held within their normal rolling commercial stock, to be delivered on order within a specified time frame (preferred option to be scoped first).
  - Also to be scoped are:
    - 8.3 – Australia purchases and stores a volume of vaccine, either on or off shore; and,
    - 8.8 – Australia develops arrangements with a third country to access their bank or supply.

**Domestic poultry surveillance**

- Participants **AGREED** that governments and poultry industry will work collaboratively to address the current issues and uncertainties relating to a national poultry avian influenza surveillance program for Australia, including agreed response policies for the handling of a range of potential scenarios resulting from surveillance.
- Participants **AGREED** to the development of a risk-based national surveillance strategy/program for avian influenza in poultry, which takes into account the OIE guidelines.
- Participants **AGREED** to establish (within 3 months) a small **Task Force** to provide input into development of policy proposals examining both active and passive surveillance. The Task Force will develop a document containing policy proposals and an implementation plan.

**Wild bird surveillance**

- Participants **NOTED** the objectives and results of wild bird surveillance undertaken in Australia.
- Participants **AGREED** that a priority was that there should be a policy and process to communicate results to industry and the broader public.
- Participants **AGREED** that there should be a strong focus in future investigations on mortality events.
- Participants **AGREED** that further surveillance should consider a focus around areas of domestic poultry density.

**Communication**

- Participants **AGREED** that research results obtained by Department of Agriculture Fisheries and Forestry and others, in relation to biosecurity, continue to be shared and utilised for raising awareness, in particular as it relates to small-flock poultry owners, peri-urban and hobby farmers.
- Participants **NOTED** and **AGREED** to a wider circulation of information stating that wild bird surveillance results to date have demonstrated that there is no evidence of H5N1 in Australia.
- That the consultative group **CONSIDER** the enhancement of industry communications, using appropriate experts and the National Communications Network to prepare a pro-active strategy to deal with AI communications.

<b>Primary</b>	<b>MEETING NUMBER: 13</b>
<b>Industries</b>	<b>LOCATION: MELBOURNE</b>
<b>Ministerial Council</b>	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.24</b>

*Finalised out-of-session 20 May 2008*

### **EUROPEAN HOUSE BORER (EHB)**

1. PIMC 11 (November 2006) endorsed national cost sharing for the EHB program for completion of surveillance and containment for a period of two years, commencing 1 January 2007. The commitment for second year of operations and funding was subject to a 20 percent industry funding contribution commencing 1 January 2008. PIMC agreed that the program be re-assessed by November 2007 for a decision on continuation, based on confirmation of eradication feasibility, industry funding contribution and an improved government cost sharing arrangement being developed by the AusBIOSEC process.
2. PISC 13 (September 2007) approved, out-of-session, a national governance structure and arrangement for the EHB Program. Consistent with the principles of the Emergency Plant Pest Response Deed, the approved governance structure and arrangement includes formation of the EHB National Management Group, Industry-Government Liaison Working Group, EHB National Consultative Committee and EHB Scientific Advisory Panel.
3. The EHB Scientific Advisory Panel reviewed the EHB Program activities in June 2007 and proposed a series of milestones to be achieved by the EHB Program in the next 12 months to confirm the feasibility of eradication. The EHB Scientific Advisory Panel expressed satisfaction with the progress made by the EHB Program since the last review in 2005 and concluded that, at this stage, there is no reason to believe that eradication is not feasible.
4. Subsequent to the EHB Scientific Advisory Panel meeting, the EHB National Consultative Committee noted that the Scientific Advisory Panel had a higher level of confidence in the EHB Program and that a formal review to verify the feasibility of eradication would be appropriate in 12 months using the recommendations of Scientific Advisory Panel as a framework.
5. The EHB Industry-Government Liaison Working Group met on 16 May 2007 and 7 July 2007, to investigate options to raise funds for the industry contribution to the EHB Program. The Working Group also commissioned ABARE to review the EHB cost benefit analysis prepared by the Department of Agriculture and Food Western Australia (DAFWA) in 2006.

6. Some 97,000 residential properties and approximately 1500 businesses fall within EHB affected areas of which 440 are involved with the movement of EHB host material at various levels of activity.
7. The EHB Scientific and Advisory Panel and EHB National Consultative Committee have concluded that at this stage there is no reason to believe that eradication is not feasible; however, a formal review of the EHB Program to verify the feasibility of eradication would be required in 12 months.
8. 116 EHB infested sites have been found, including nine pine plantations in the greater Perth metropolitan region. Most infestations are found in dead parts of pine trees, some have been in furniture. No EHB has been found in untreated pine in roofs, where the infestation has occurred *in situ*. The majority of urban infested sites have been cleared of infested host material and buffer zones are being created between infested plantations and residential developments. Plantation harvesting plans are being developed focusing on accelerated clearfall of infested plantations. Surveys have indicated that EHB infestation is confined to the greater Perth metropolitan region.
9. The ABARE review has essentially confirmed DAFWA's original findings of a significant benefit to cost ratio of an eradication program.
10. The industry has agreed, in principle, to contribute funds to the EHB Program in 2008. Industry is working with the Department of Agriculture, Fisheries and Forestry on proposed levy options/arrangements to facilitate the industry funding contribution. Industry has also agreed to commence wider consultation to ensure that key sectors/organisations are supportive of a levy. Plant Health Australia has offered to assist with this consultation.

## RESOLUTIONS

11. Council:
  - (a) **NOTED** the progress report on the European House Borer (EHB) Program;
  - (b) **CONFIRMED** EHB funding until 31 December 2008, noting that industry has confirmed its commitment to contribute and that appropriate levy arrangements will need to be endorsed by the Australian Government; and
  - (c) **NOTED** that the EHB Program will be further reviewed in 2008 and that PIMC will be briefed on outlook for the program and recommendation made regarding post 2008 funding.

**JOINT MEETING WITH THE PRIMARY INDUSTRIES AND  
NATURAL RESOURCE MANAGEMENT MINISTERIAL  
COUNCILS**

**MELBOURNE - 17 APRIL 2008**

**JOINT MEETING WITH THE PRIMARY INDUSTRIES AND NATURAL  
RESOURCE MANAGEMENT MINISTERIAL COUNCILS**

**MELBOURNE - 17 APRIL 2008**

<b>Res'n. No.</b>	<b>Item Title</b>	<b>Joint Item No.</b>	<b>Page No.</b>
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**JOINT MEETING WITH THE PRIMARY INDUSTRIES AND NATURAL  
RESOURCE MANAGEMENT MINISTERIAL COUNCILS**

**MELBOURNE, 17 APRIL 2008**

**COUNCIL PARTICIPANTS**

**AUSTRALIAN GOVERNMENT**

The Hon. Peter Garrett MP (Chair)	Minister for the Environment, Heritage and the Arts
The Hon. Tony Burke MP	Minister for Agriculture, Fisheries and Forestry

**NEW SOUTH WALES**

The Hon. Verity Firth MLA	Minister for Climate Change and the Environment
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**VICTORIA**

The Hon. Joe Helper MLA	Minister for Agriculture
The Hon. Gavin Jennings MLC	Minister for Environment and Climate Change

**QUEENSLAND**

The Hon. Tim Mulherin MP	Minister for Primary Industries and Fisheries
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**WESTERN AUSTRALIA**

Mr Martin Whitely MLA (Representing The Hon Kim Chance MLC)	Parliamentary Secretary to the Minister for Agriculture and Food
The Hon. David Templeman MLA	Minister for the Environment Minister for Climate Change
The Hon. John Kobelke MLA	Minister for Water Resources

**SOUTH AUSTRALIA**

The Hon. Rory McEwen MP	Minister Agriculture, Food and Fisheries
The Hon. Gail Gago MLC	Minister for Environment and Conservation

**TASMANIA**

The Hon. David Llewellyn MHA	Minister for Primary Industries and Water Minister for Energy and Resources
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**NORTHERN TERRITORY**

The Hon. Chris Natt MLA

Minister for Primary Industry and Fisheries

The Hon. Leonard Kiely MLA

Minister for Natural Resources, Environment and Heritage

**AUSTRALIAN CAPITAL  
TERRITORY**

Mr Jon Stanhope MLA

Minister for Environment Water and Climate Change

**NEW ZEALAND**

The Hon. Steve Chadwick MP

Minister of Conservation

**OBSERVER**

Cr Bill Mitchell

Australian Local Government Association

**OFFICIALS IN ATTENDANCE**

\* Denotes member of the Primary Industries Standing Committee (PISC) or Natural Resource Management Standing Committee (NRMSC)

**Australian Government**

Mr Daryl Quinlivan Department of Agriculture, Fisheries and Forestry

Mr Tom Aldred

Mr Phillip Glyde

Dr Cliff Samson

Mr Ian Thompson

Mr David Borthwick \*

Department of the Environment, Water, Heritage and the Arts

Ms Barbara Butt

Mr Mike Callaghan

Dr James Horne

Ms Sue Ludwig

Ms Donna Petrachenko

Mr Tony Slayter

Ms Susannah Zuckerman

Mr Ian Carruthers

Department of Climate Change

Dr Geoff Love \*

Bureau of Meteorology

Dr Michael Coughlan

Ms Joanne Daly \*

CSIRO

**New South Wales**

Dr Richard Sheldrake \*

Department of Primary Industries

Ms Wendy Stamp

Ms Jennifer Ranson

Ms Lisa Corbyn \*

Department of Environment and Climate Change

Mr Tim Rogers

**Victoria**

Mr Richard Bolt \*

Department of Primary Industries

Mr Peter Bailey

Dr Bruce Kefford

Mr Luke Wilson

Mr Kevin Love

Department of Sustainability and Environment

**Queensland**

Mr Robert Setter \*

Department of Primary Industries and Fisheries

Mr Bruce Turner

Mr Scott Spencer \*

Department of Natural Resources and Water

Ms Debbie Best

Mr Terry Wall *	Environmental Protection Agency
Ms Nancy Esler	
Mr Tony Roberts	
<b>Western Australia</b>	
Mr Ian Longson *	Department of Agriculture and Food
Dr Paul Biggs *	Forest Products Commission
Mr Keiran McNamara *	Department of Environment and Conservation
<b>South Australia</b>	
Mr Geoff Knight *	Primary Industries and Resources SA
Dr Don Plowman	
Mr Rob Freeman *	Department of Water, Land and Biodiversity Conservation
Mr Andrew Johnson	
Professor Rob Lewis	
Ms Julie Mrotek	
Mr Stephen Forbes	Department for Environment and Heritage
<b>Tasmania</b>	
Mr Kim Evans *	Department of Primary Industries and Water
Mr Andrew Blakesley	Department of Infrastructure, Energy and Resources
<b>Northern Territory</b>	
Mr Rod Gobbey	Department of Primary Industry, Fisheries and Mines
Mr Jim Grant *	Department of Natural Resources, Environment and The Arts
<b>Australian Capital Territory</b>	
Mr Hamish McNulty *	Department of Territory and Municipal Services
<b>New Zealand</b>	
Mr Lindsay Gow *	Ministry for the Environment
Mr Brian Sheppard	Department of Conservation
<b>Observers</b>	
Mr John Pritchard *	Australian Local Government Association
Dr Rosemary James	
<b>Secretariat</b>	
Ms Kate Woffenden	
Ms Dawn Manning	
Ms Catherine Knight	
Mr Judi Lilley	

**JOINT PRIMARY INDUSTRIES AND NATURAL RESOURCE MANAGEMENT  
MINISTERIAL COUNCILS**

**MELBOURNE, 17 APRIL 2008**

**CHAIRMAN'S OPENING COMMENTS**

The Chairman welcomed Ministers to the joint meeting of the Primary Industries and Natural Resource Management Ministerial Councils.

Apologies were received from:

- Kim Chance, Minister for Agriculture and Food, WA; who is represented by Martin Whitely
- Ian Macdonald, Minister for Primary Industries, NSW
- Jon Ford, Minister for Fisheries, WA
- Karlene Maywald, Minister for Water Security, SA
- Michelle O'Byrne, Minister for Environment, Parks, Heritage and the Arts, Tasmania
- Trevor Mallard, Minister for the Environment, NZ.

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.25</b> (NRMCMC 13.28)

### CLIMATE CHANGE – FUTURE DIRECTIONS

1. The Australian Government's climate change policy is built on three pillars: reducing Australia's greenhouse gas emissions; adapting to unavoidable climate change; and helping to shape a global solution. There have been a number of major developments in relation to this national approach to climate change, including the establishment of the Department of Climate Change. Notably:
  - (a) the Australian Government ratified the Kyoto Protocol in December 2007 and is working towards a post-2012 multi-lateral agreement for addressing climate change that is equitable and effective and includes agreement on a long-term global goal for emissions reductions;
  - (b) the Australian Government is committed to introducing an emissions trading scheme by 2010 and will finalise design elements by the end of 2008; and
  - (c) initial design principles that will guide the development of emissions trading over the next year or so include:
    - i. the scheme will be a 'cap and trade' scheme that has maximum practical coverage of greenhouse gas emissions and industry sectors and is designed to link with other countries' schemes;
    - ii. scheme caps will be designed to place Australia on a low emissions path in a way that best manages the economic costs of transition and provides incentives to develop and invest in low-emissions technologies;
    - iii. the scheme will address the competitive challenges facing emission-intensive trade-exposed industries in Australia; and
    - iv. the scheme will address the impact on strongly affected industries and measures will be developed to assist households, particularly low income households, to adjust to the impact of carbon prices.
  
2. The Government will take a careful and deliberate approach to finalising the scheme design and draw on many sources of advice to achieve the best policy outcomes. The policy development process will be informed by the design work of the Department of Climate Change and also take account of the recommendations and advice of Professor Ross Garnaut, modelling undertaken by the Australian Treasury and the work completed by the National Emissions Trading Taskforce and the report of the Task Group on Emissions Trading.
  
3. The Garnaut Climate Change Review was commissioned in April 2007 by Australian state and territory governments to examine the impacts of climate change on the

Australian economy and recommend policy frameworks to improve the prospects for sustainable prosperity. The Review, due to report in September 2008, will be an important input to the Government's thinking on a range of climate change policy issues.

4. In December 2007, the Council of Australian Governments (COAG) agreed to establish a Working Group on Climate Change and Water. COAG agreed that part of the indicative forward work program from March 2008 for the Climate Change and Water Working group would be to look at long term adaptation to climate change including accelerating the implementation of actions under the National Adaptation Framework endorsed in April 2007. The Framework includes actions to assist vulnerable sectors including agriculture, biodiversity, forestry, coastal and water resources, across all jurisdictions.
5. The Australian Government has established a Climate Change Adaptation Research Facility, which will lead Australia's researchers in generating robust biophysical, social and economic information that decision makers need to manage the risk of climate change. CSIRO has established a new Flagship on climate change adaptation.
6. The Government will fast track the implementation of the National Agriculture and Climate Change Action Plan to help Australian agriculture better manage climate change. The Government will also fast track the development of Action Plans for both the forestry and fisheries industries. This is in addition to fast tracking the development of the Climate Change Adaptation Plan for Australia's World Heritage and Iconic Areas.
7. Officials are implementing a number of national action plans for the Councils on climate change issues including:
  - The National Biodiversity and Climate Change Action Plan - a review of this action plan will commence after the completion of the national biodiversity vulnerability assessment and of the review of the National Biodiversity Strategy in 2009.
  - The National Agriculture and Climate Change Action Plan – a desktop review of this action plan is underway, with a draft report due later this month.
8. The Government will invest \$130 million over four years in the Australia's Farming Future initiative to assist Australian primary industry sectors to adapt and respond to climate change.
9. Discussion about future directions for climate change and biodiversity, agriculture, coasts, water and natural resource management will:
  - (a) draw on national processes including those of the Garnaut Climate Change Review and be informed by work undertaken to design a national emissions trading scheme;
  - (b) consider current actions under the National Climate Change Adaptation Framework, including the development of new action plans and review of existing climate change action plans and establishment of the Climate Change Adaptation Research Facility; and

- (c) draw on key early messages and knowledge gaps identified from the Natural Resource Management Ministerial Council (NRMMC) climate change priority actions.
10. The current NRMMC priority climate change actions are due for completion in 2008. The CLAN Working Group is overseeing the implementation of these actions. It was proposed that the NRMMC in November 2008 consider an updated CLAN work program to address priority areas in agriculture and NRM that:
- draws on key early messages and knowledge gaps from results of the NRMMC priority actions;
  - maps current actions under the National Climate Change Adaptation Framework;
  - complements and contributes to the objectives of other national processes including those of the Climate Change Adaptation Research Facility and the Garnaut Climate Change Review; and
  - draws on priority areas as identified in the review of the National Agriculture and Climate Change Action Plan and in other relevant plans, including the National Biodiversity and Climate Change Action Plan.
11. Recommendations for targeted projects, budgetary requirements and implementation timeframes within each major thematic area will be developed. CLAN will provide advice on recommendations for targeted projects that meet these objectives to NRMMC's November 2008 meeting.

## RESOLUTIONS

12. Councils:
- (a) **NOTED** recent developments in relation to the national approach to climate change; and
- (b) **NOTED** consideration of future directions for climate change and biodiversity, agriculture, coasts, water and natural resource management will take into account a range of relevant national climate change policy processes.

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.26</b> (NRMMC 13.29)

### UPDATE ON CLIMATIC CONDITIONS

1. Dr Geoff Love, Director of Meteorology, provided Council with a briefing on current climate conditions and outlook. Following is a short summary of Dr Love's presentation.
2. The presentation noted that one of the major climate events of the previous three months had been an extended period of high temperatures over South Australia during March. Numerous records were broken during this heatwave, which lasted from 1-17 March. Through the warmer months, rainfall in the Murray Darling Basin had ranged from average in the south to above average in parts of the north. In contrast, much of South Australia, western Queensland and the southern two-thirds of the Northern Territory had recorded below to very much below average rainfall.
3. Despite some areas of good warm season rainfall, long term deficits persist over much of southern Australia with very low inflows to major water storages. While the La Niña event, which had brought very heavy spring and summer rainfalls to the east coast and to eastern parts of inland Queensland, was virtually over, it was unlikely that there would be a rapid swing to generally drier El Niño conditions. The odds for above average rainfall through the early winter months lie between 60 and 70 per cent in a broad band covering far northern Western Australia, most of the Northern Territory, northwest and southern Queensland and the far north of New South Wales. Over the rest of the country the chances of exceeding above average winter rainfall lie mainly between 45 and 60 per cent.

### RESOLUTION

4. Councils **NOTED** the presentation on climatic conditions by the Bureau of Meteorology.

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.27</b> (NRMMC 13.30)

### NATIONAL AGRICULTURAL MONITORING SYSTEM

1. The National Agricultural Monitoring System (NAMS) is a collaborative project developed under the PIMC with the key objective 'to streamline the Exceptional Circumstances (EC) application and assessment process, through the ongoing collation of agreed data sets and analyses'.
2. PIMC 8 (April 2005) agreed that a review of the NAMS was required by 30 June 2008. PISC 12 (March 2007) requested that the Industries Development Committee (IDC) undertake the review.
3. The review concluded that the NAMS successfully met its primary objective of assisting in streamlining the EC application and assessment processes. The NAMS has benefited all investors to varying degrees, in terms of reduced time and costs to complete and assess EC applications. The report also identified issues, which if addressed, would improve the capacity of the NAMS to support stakeholders and current drought policy.
4. The IDC found that the investment in the NAMS by PIMC has been worthwhile and a major step forward in developing more consistent approaches to current drought declaration processes and that the NAMS needs to be ongoing to support future drought policy in Australia.
5. The review identified a number of improvements to the system and recommends that 'additional investment is required to make the NAMS more user friendly and flexible' and 'that the level of resourcing for the NAMS be set to include the ongoing maintenance, the cost of accessing data and some further development in functionality'.
6. PISC agrees with the review's key recommendation that the NAMS should undergo a period of consolidation to improve the tool's functionality. Specifically, further work would address the issues of data provision and timeliness, greater adaptation to and improved flexibility for individual investor needs and continuing to build the knowledge and confidence of users.

7. The review identified that ‘the NAMS provides a widely available web-based tool to explore the immediate past climate, production and economic agricultural performance of a region and develop an understanding of the inherent risks in agricultural systems. Access to this information will become increasingly important in the face of climate and market change and the need to adjust to those changes.’
8. PISC recognises that the NAMS has potentially other important applications and uses that would be valuable to jurisdictions and other stakeholders not directly involved in the EC processes. PISC is supportive, in principle, of further expanding the scope of the NAMS, particularly into the area of drought preparedness, climate change adaptation and risk management, although any proposal needs to stand alone as a separate business case.
9. The review highlighted that while existing governance arrangements have been successful, they should be adjusted to provide a more focused control on finance, performance and risk management. PISC is supportive of the review recommendation for a smaller, high level, NAMS Board of Management to be implemented with other recommendations of the review following clarification of future drought policy.
10. The drought policy improvements being pursued by PIMC may result in substantial changes to drought policy and programs. PISC considers that development of the NAMS should be put on hold until the policy context within which the NAMS would operate is clearer and supports the IDC recommendations that implementation of the review needs to take account of future drought policy.
11. PISC supports the IDC recommendation that \$1.22 million would be sufficient to maintain the NAMS for 2008-09 pending the outcome of future uses for the NAMS in light of a new drought policy. PISC recognises that a funding level of \$1.22 million in 2008-09 will reduce stakeholder and administrative support and remove communication and stakeholder liaison support. If this level of funding was continued beyond 2008-09, the base capacity of the NAMS would be potentially eroded.

## DISCUSSION

12. Members noted that a review of drought policy was being conducted by CSIRO and the Bureau of Meteorology and proposed that the role of NAMS be considered as part of the review

## RESOLUTIONS

13. Councils:
  - (a) **NOTED** PISC’s advice on the effectiveness of the National Agricultural Monitoring System (NAMS), which concludes that the tool has successfully met its primary objective of assisting in streamlining the Exceptional Circumstances (EC) application and assessment processes;

- (b) **NOTED** that the need for a tool to support current and future drought policy implementation remains important;
- (c) **AGREED** to put on hold the implementation of recommendations of the review conducted by the Industries Development Committee for PISC including new governance arrangements for the NAMS and any future development of the NAMS, pending clarification of future drought policy;
- (d) **AGREED** to the proposed reduced funding requirement of \$1.22 million which is adequate for the continued operation and maintenance of the NAMS in 2008-09, to be funded under the current cost sharing arrangements and with member contributions as follows; **NOTING** this reduced funding will have implications for the type and level of work undertaken; and the operation and stability of the system:

	%	\$
Australian Government (DAFF)	50.00	611,062
New South Wales	12.57	153,621
Victoria	11.74	143,477
Queensland	10.82	132,233
Western Australia	7.09	86,648
South Australia	6.04	73,816
Northern Territory	0.48	5,866
Tasmania	1.23	15,033
Australian Capital Territory	0.02	244
<b>TOTAL</b>	<b>100.00</b>	<b>1,222,000</b>

- (e) **REQUESTED** that as part of the PIMC review of drought policy, CSIRO and BOM provide advice on the role NAMS can play under any new drought policy.

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.28</b> (NRMMC 13.31)

### **ADVANCING INDIGENOUS EMPLOYMENT IN NATURAL RESOURCE MANAGEMENT AND PRIMARY INDUSTRIES**

1. Employment is a key element in meeting the challenges of Indigenous disadvantage and promoting reconciliation that is meaningful for Indigenous peoples. Other elements include improved health and housing, a safe family environment, law and order and education. It is important for these elements to be addressed in a holistic manner, to maximise positive outcomes for Indigenous communities.
2. NRM and PI provide a wide range of opportunities for Indigenous employment. Many of these activities were highlighted in the 2006-2007 Annual Report. Further opportunities are outlined in Annex B.
3. NRMSC 14 (September 2007) agreed that NHT3 (or its replacement) is one mechanism to be used to reinforce and encourage Indigenous participation in regional NRM by designing investment criteria to facilitate Indigenous programs and projects. NRMSC 14 also noted the recent removal of Community Development Employment Program (CDEP) in the Northern Territory and the importance of this funding to Indigenous NRM programs.
4. Currently, CDEP funding is used to provide training and development components for a range of NRM and PI programs. In many cases CDEP funding provides foundation funding, which is topped up by NRM and PI programs. CDEP is an Australian Government initiative for unemployed Indigenous peoples. CDEP was previously provided under the Department of Workplace Relations but more recently (since the Federal election) is likely to be administered by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).
5. Recent changes to CDEP (mid-2007) resulted in the removal of CDEP from urban and major regional centres across Australia. Furthermore, the Northern Territory Emergency Response on 23 July 2007 outlined that CDEP in the Northern Territory would progressively be replaced with 'real' jobs, training and mainstream employment programmes. These policy changes have emphasised the vulnerability of many NRM and PI programs operating in regional and remote areas that provide employment for Indigenous peoples.

6. Given that the newly-elected Australian Government has indicated a review of CDEP, the Indigenous Working Group has prepared information to:
  - highlight the current benefits of CDEP to NRM and PI programs;
  - list opportunities that NRM and PI programs and projects bring to CDEP including examples; and
  - identify components of CDEP, NRM and PI programs that should continue in the reformed CDEP or equivalent.
7. Indigenous Australians are major stakeholders in the management and protection of Australia's natural resources. A discussion paper on improving opportunities for Indigenous employment in NRM and PI has been prepared ([Annex B](#)). The discussion paper also addresses the more general opportunities available through the national funding of regional NRM and the important issue of contracting out NRM functions to Indigenous communities. Each jurisdiction has undertaken consultation on the paper, with relevant Indigenous bodies and groups.
8. Regional NRM bodies such as NRM Boards and catchment authorities provide significant opportunities for progressing Indigenous employment initiatives at a regional level, especially in relation to establishing partnerships with Indigenous groups, training, career development, capacity building and business enterprise opportunities. The NRM Regional Chairs' forum may provide an appropriate mechanism to consider ways to progress Indigenous employment initiatives. It is suggested that jurisdictions consider ways to progress Indigenous employment initiatives in NRM and PI in their state/ territory.

#### **Benefits of CDEP to NRM and PI programs**

9. A number of NRM and PI programs are used to supplement CDEP arrangements, especially in remote Indigenous communities. This includes programs operating with grants or funding from such programs as Natural Heritage Trust and National Action Plan for Salinity and Water Quality (NHT and NAP), Envirofund, Community Water Grants, Indigenous Heritage and Indigenous Protected Areas. Some examples are provided in [Annex A](#).
10. Whilst it has been difficult to quantify the number of NRM and PI programs utilising CDEP participants, some examples are provided in [Annex A](#). Anecdotal evidence suggests that without CDEP funding (or its equivalent), the opportunities that NRM and PI programs can offer for Indigenous employment will be limited as well as reducing the achievements of specific NRM and PI outcomes.
11. Without additional funding through CDEP, many NRM and PI programs would operate at a severely restricted capacity both in the number of people employed and the environmental, economic and social outcomes achieved.
12. Programs are not without their challenges. Urban, rural and remote Indigenous communities have different challenges and opportunities. Often in remote areas employment opportunities are not readily attainable due to absence of significant commercial or private sector employment opportunities. In these situations economic development may be viewed as a process that might enhance Indigenous participation with local, regional and national economies rather than purely enhanced market engagement, high formal employment and high and growing income.

13. Where economic development activities may be restricted, NRM and PI programs provide indigenous communities with opportunities for meaningful engagement in 'looking-after-country', as NRM and PI activities are often the only sources of income for many remote communities.
14. Recent examples from SA and Northern Australia indicate that the establishment of NRM and PI programs are important for Indigenous people because these programs are consistent with cultural perspectives of people where working on country is part of a holistic approach to society and culture. This approach enables close linkage between western perspectives and Indigenous management arrangements, which reinforce culture, traditional practices and the importance of traditional owners and knowledge and also provide a bridge that young people can use between cultures with beneficial employment, education and health outcomes.

#### **Opportunities that NRM and PI programs provide to CDEP**

15. Within the NRM arena there is increasing recognition of the need to establish strong partnerships between Government, private enterprises and communities to fully realise NRM and PI outcomes that are socially, economically and environmentally feasible. Whether these occur via a reformed CDEP or an equivalent program, there is significant potential to become a partnership catalyst to create sustainable employment opportunities for Indigenous people and communities involving Government, private business, training and development entities.

#### **CDEP or equivalent**

16. It is recognised that economic development will be the foundation of the Australian Government's efforts to improve Indigenous livelihoods and that the Australian Government views education and training, supporting local enterprise and providing better business support as key components of progressing towards economic self-reliance.
17. NRM and PI programs offer opportunities for education, training and employment for Indigenous people as well as opportunities for business enterprise development. Whatever the outcome of the CDEP reform process, it is important that governments at all levels recognise the great and continuing potential for NRM and PI programs to bring benefits to Indigenous communities, especially in remote areas with poorly developed labour markets. NRM and PI programs therefore need a secure place in whole of government policy settings that target improved Indigenous employment.

#### **DISCUSSION**

18. In discussion on this item, members outlined their jurisdiction's programs in relation to Indigenous employment and including the engagement and training of Indigenous rangers.

## RESOLUTIONS

### 19. Councils:

- (a) **AGREED** to support the creation of ongoing full-time and part-time jobs for Indigenous people through the purchase of environmental services, as well as encouraging the NRM and PI programs to actively engage Indigenous communities, with the aim of providing capacity building opportunities; developing business-oriented employment and broader skills exchange including support networks; supporting skills development; establishing community infrastructure assisting employment; and linking to whole-of-government programs, where appropriate;
- (b) **NOTED** the types of Natural Resources Management (NRM) and Primary Industries (PI) programs that utilise Community Development Employment Projects (CDEP) as base funding (Annex A);
- (c) **NOTED** the opportunities for Indigenous employment and engagement in NRM and PI, outlined in Annex B; and
- (d) **REQUESTED** that each jurisdiction consider ways to progress Indigenous employment initiatives in NRM and PI in their state/ territory and provide a snap-shot of progress in the Annual Report, specifically in relation to:
  - (i) increasing awareness amongst Indigenous peoples on opportunities for employment within NRM and PI;
  - (ii) establishing partnerships with Indigenous groups;
  - (iii) providing opportunities for training, career development and workforce development;
  - (iv) supporting Indigenous communities to engage where appropriate, through capacity building and planning; and
  - (v) creating Indigenous business enterprise opportunities and integrating NRM and PI programs across multiple policy domains, for example, education, economic, employment and health.

**ANNEX A:** NRM and PI programs that utilise CDEP as base funding for Indigenous employment

**ANNEX B:** Key Issues: Indigenous Employment and Engagement in NRM and PI  
*[Annexes A and B are held by the Secretariat]*

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.29</b> (NRMMC 13.32)

### **PROGRESS IN THE ENHANCEMENT OF AusBIOSEC**

1. AusBIOSEC is the Australian Biosecurity System for Primary Production and the Environment. Australia's biosecurity system strives to mitigate pest and disease risks to Australian businesses and jobs in primary production and related industry sectors such as manufacturing, tourism, hospitality and transport. These biosecurity systems also protect our environment, social amenity and human health from pests and diseases.
2. Australia already has very effective arrangements in place for managing biosecurity, particularly for primary industries. However, there are opportunities to identify and address gaps in the current system, particularly to integrate systems that protect the environment and social amenity and achieve significant national benefits from improved collaboration and coordination across all levels of government.
3. The enhancement of AusBIOSEC is a whole-of-government project, which was established in October 2005 under the leadership of a joint Steering Group of the Natural Resource Management and Primary Industries Standing Committees.

#### **Intergovernmental Agreement**

4. Version 1.0 of the AusBIOSEC Intergovernmental Agreement (IGA) at [Annex A](#) sets out an overarching framework for continuous improvement of Australia's biosecurity systems. The IGA also outlines the ways in which Australia's national and state and territory governments can assist each other in managing their responsibilities via collaborative programmes, sharing of resources and other cooperative approaches.
5. The IGA aims to achieve and promote:
  - (a) reduced negative impacts of pests and diseases on biodiversity; primary production, product integrity and market access; the built environment; and social amenity and quality of life;
  - (b) more efficient and timely emergency responses to outbreaks of pests and diseases;
  - (c) maintenance of Australia's favourable international reputation for freedom from many pests and diseases, outstanding primary production integrity and diverse ecosystem sustainability;
  - (d) improved management of pests and diseases and reduction of their impacts;
  - (e) cost-effective, science and risk-based biosecurity management; and
  - (f) continuous improvement in biosecurity arrangements.

6. The IGA builds on and is consistent with related arrangements (such as the Emergency Animal Disease Response Agreement) and does not displace or replace the operation of any of these arrangements. The IGA accords with Australia's international rights and obligations and adds to Australia's overall objective of continued compliance with international obligations.

#### **National biosecurity institutional arrangements**

7. New national biosecurity policy institutional arrangements were agreed by PISC 14/NRMSC 15 (September 2007). These new arrangements provide a more strategic and holistic approach to decision making on biosecurity issues. Under these arrangements, a National Biosecurity Committee (NBC) will be established by 1 July 2008.
8. The new Environmental Biosecurity Committee (EBC) has been established and met for the first time on 12 February 2008.

#### **RESOLUTIONS**

9. Councils:
  - (a) **ENDORSED IN PRINCIPLE**, subject to whole-of-government clearance processes, version 1.0 of the Intergovernmental Agreement;
  - (b) **AGREED** to finalise whole-of-government clearance processes within their jurisdictions on the Intergovernmental Agreement, for final endorsement at the November 2008 Ministerial Council meeting; and
  - (c) **NOTED** progress in implementing the new national biosecurity institutional arrangements.

**ANNEX A:** AusBIOSEC Intergovernmental Agreement Version 1.0  
*[Annex is held by the Secretariat]*

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.30</b> (NRMMC 13.33)

**NATIONAL SYSTEM FOR THE PREVENTION AND MANAGEMENT OF  
INTRODUCED MARINE PEST INCURSIONS**

1. Interim cost-sharing arrangements for emergency eradication responses have been in place since 2001 and these were formalised in the Intergovernmental Agreement on a National System for the Prevention and Management of Marine Pest Incursions (Marine IGA).
2. In November 2006, the Natural Resource Management Ministerial Council and the Australian Transport Council endorsed the final elements of the National System for the Prevention and Management of Marine Pest Incursions (the National System) and the framework for the National Ballast Water Management Arrangements.

**Marine IGA Emergency Response Cost-Sharing Formula**

3. An alternative risk-based formula for marine emergency response cost sharing, incorporating state population and the level of risk (in terms of the length of coastline potentially impacted by that pest) has been developed and agreed through the AusBIOSEC process. The revised model is consistent with the terrestrial and freshwater models that have also been agreed through AusBIOSEC. All jurisdictions have agreed to the revised model.
4. It was proposed that a new Marine IGA, that is substantially the same as the current document, be signed as the most efficient way to amend the existing agreement. Annex A, which outlines the cost-sharing formula, is the main section requiring amendment. The proposed text of Annex B that would form the new Marine IGA (in conjunction with the existing body text and Annex A) is also at Annex A. Section 7 is the only text that has altered relative to the existing Annex B.
5. It was proposed that a new clause clarifying that the new Marine IGA will supersede all prior agreements or arrangements between the parties (particularly the current Marine IGA and the interim arrangements prior to that document) also be added to the Marine IGA:
6. The new Marine IGA should only come into effect when all parties have signed. If all parties do not agree to the proposed amendments then the signatories may wish to initiate steps to formalise the current Marine IGA (through an amendment to the

commencement provisions) and no changes will be made to the current cost sharing formula.

7. To ensure consistency of treatment for jurisdictions in different emergency events, standard procedures for using the cost-shared formula will be outlined in the Consultative Committee on Introduced Marine Pest Emergencies (CCIMPE) Standard Operating Guidelines.

### **Ballast Water**

8. Significant progress has been made on the development of operational procedures for ballast water. Most aspects of the procedure for on-board inspections have been agreed. Consideration is still being given to one aspect of the procedure relating to what is considered a minor non-compliance for the percentage of ballast exchange where there are some conflicting view points between jurisdictions. Aspects of the operational procedures relating to the compliance strategy, cost recovery and fee for service, case by case risk assessment procedures, testing of supporting IT system, communications strategy, inspection targeting strategy, ballast water treatment system verification and approval process and sediment management are being progressed.
9. In relation to ballast water legislation, the Australian Government agreed to drafting priority for ballast water legislation during the Autumn 2008 sitting of Parliament, with a view to its introduction to Parliament later in the year. The states and the Northern Territory have advised that they need to see the Commonwealth bill before they will be able to progress their legislation. It was proposed that the target implementation date be revised and tied to the availability of the Commonwealth legislation.
10. Legislation is required in all jurisdictions to implement the International Convention for the Control and Management of Ships' Ballast Water and Sediments and enable Australia to ratify. The preferred approach is consistent with the obligations of the parties to the Marine IGA, with the Australian Government taking responsibility for legislation for internationally sourced ballast water and the states/Northern Territory taking responsibility for legislation for Australian sourced ballast water.

### **Biofouling**

11. The Best Practice Management Guidelines for the Prevention of Biofouling are being finalised for production and communication to the following sectors: Commercial Fishing Vessels; Non-Trading Vessels; Petroleum Vessels; Commercial Shipping; Aquaculture; Trading Ports; and Recreational Vessels.
12. Each jurisdiction is taking responsibility for the implementation of biofouling management arrangements and design and production of communication materials to support uptake of biofouling guidelines within their respective jurisdictions. The Australian Government intends to proceed with the implementation of biofouling management requirements for all international vessels arriving in Australia.
13. There are currently no international treaty obligations or standards in relation to the management of biofouling. Therefore a legislative approach by all jurisdictions is not required for biofouling as reflected in the Marine IGA (which establishes that the states/Northern Territory will ensure that vessels travelling between Australian locations are subject to agreed measures to minimise the risk of translocating marine pests through

biofouling). This approach also reflects the difficulty in regulating some domestic vessels for biofouling (for example, recreational vessels).

14. It was proposed that a review of the Australian and New Zealand Environment and Conservation Council (ANZECC) Code of Practice for Antifouling and In-Water Hull Cleaning and Maintenance be conducted. The review will consider whether an alternative approach to the ANZECC Code of Practice that promotes controlled in-water cleaning as part of a comprehensive strategy to minimise the presence of fouling on vessels is appropriate. The strong discouragement of in-water cleaning in the ANZECC Code of Practice will also be reviewed to determine if it is more appropriate to allow in-water cleaning in circumstances when it will lead to a risk reduction.

## DISCUSSION

15. In discussion on this item, Mr Jon Stanhope, Australian Capital Territory (ACT) Minister for Environment, Water and Climate Change, advised that the ACT is not a signatory to the draft marine IGA and does not have marine legislation. Mr Stanhope indicated that as the Commonwealth administers this aspect of Jervis Bay there may be a gap in legislative cover and administrative arrangements for Jervis Bay.
16. Members agreed to seek advice on costs and funding options including industry contributions to implement the supporting arrangements identified in the IGA.

## RESOLUTIONS

17. Councils:
  - (a) **AGREED IN PRINCIPLE**, subject to whole-of-government clearance processes, to the revised text for the Intergovernmental Agreement on a National System for the Prevention and Management of Marine Pest Incursions (Marine IGA);
  - (b) **AGREED** to commence formal whole-of-government clearance processes within their jurisdictions on the Marine IGA, for finalisation at the November 2008 Ministerial Council meeting;
  - (c) **AGREED** that the new Marine IGA should come into effect only when all parties have signed the document;
  - (d) **AGREED** to a new commencement date for mandatory ballast water arrangements be applied twelve months from the date of passage of Commonwealth legislation;
  - (e) **AGREED** that the integration of the Marine Pest Intergovernmental Agreement be investigated under the AusBIOSEC framework in the future;
  - (f) **AGREED** to a review being conducted of the ANZECC (Australian and New Zealand Environment and Conservation Council) Code of Practice for Antifouling and In-Water Hull Cleaning and Maintenance;

- (g) **NOTED** progress in developing consistent national ballast water legislation and operational procedures and finalising implementation arrangements for best management practice guidelines for biofouling; and
- (h) **REQUESTED** NRMSC to provide advice on costs and funding options, including industry contributions to implement the Supporting Arrangements identified in the IGA.

**ANNEX A:** Proposed Changes to Annex B of the Marine IGA

## PROPOSED CHANGES TO THE MARINE IGA

### New or amended clauses

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The following are amendments or new clauses that should be inserted in the new Marine IGA.

### New Part XI

#### **PART XI – PREVIOUS AGREEMENTS**

##### 31. Agreement Supersedes

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- 31.1. From the date this Agreement comes into effect in respect of each Party, this Agreement supersedes all previous agreements and arrangements, whether written or otherwise, as between the Parties, jointly and severally, in relation to the subject matter of this Agreement.

**Amendment to Annex B Set out in Clause 7 on the following pages.**

### EMERGENCY MANAGEMENT

#### **EMERGENCY MANAGEMENT ARRANGEMENTS**

##### **1. Principles and arrangements for the management of marine pest emergencies**

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- 1.1 The following principles and arrangements apply to the management of marine pest emergencies that:
- (a) Cater for national decision making that provides for collective decisions involving all levels of government where such decisions are necessary for an effective response.
  - (b) Augment arrangements in which the combat jurisdiction is the primary decision-maker in combating the outbreak in accordance with emergency management arrangements.
  - (c) Provide flexibility, responsiveness, and allow for rapid decision making.

##### **2. Decision making bodies**

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- 2.1 The level at which decisions are made will depend upon the extent and nature of the issue in question. In practice the main national decision making group will be the National Management Group for Marine Pest Emergencies, as advised by the Consultative Committee on Introduced Marine Pest Emergencies (CCIMPE). Only very high level matters will be referred to members of Ministerial Council or First Ministers.

##### **3. National Management Group for Marine Pest Emergencies**

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- 3.1 The National Management Group for Marine Pest Emergencies will be the national management forum through which the Parties invoke cost sharing arrangements to conduct an emergency eradication response to marine pest emergencies of national significance on the basis of advice provided by CCIMPE. The National Management Group will also determine, from time to time, increases in the emergency response funding, that CCIMPE can draw against in accordance with national cost sharing arrangements to assist emergency investigations.

#### **4. National Management Group for Marine Pest Emergencies Representation**

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4.1 Standing Committee will provide this role.

#### **5. Consultative Committee on Introduced Marine Pest Emergencies**

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5.1 CCIMPE will be the national technical forum through which the Parties participate in the technical aspects of marine pest emergencies of national significance. To assist in determining whether an incursion is likely to be eradicable, CCIMPE will also determine, from time to time, when emergency response funding should be provided up to \$50,000 (GST exclusive), or as varied from time to time by the National Management Group, to assist an affected jurisdiction to conduct:

- (a) an emergency investigation; and
- (b) trials of prospective eradication tools.

5.2 CCIMPE will provide the national technical forum to enable timely, well-informed decision-making in response to:

- (a) an incursion arising from the introduction of a marine pest; and
- (b) an incursion arising from the translocation of a marine pest.

5.3 CCIMPE will act in accordance with the following terms of reference:

- (a) To inform and consult with all CCIMPE representatives when an initial investigation within a jurisdiction demonstrates reasonable suspicion of an incursion of an agreed pest of concern;
- (b) To facilitate the national communication of relevant information from the CCIMPE representative of an affected jurisdiction regarding the detection of an exotic marine species in Australia's marine environment, and to evaluate such information;
- (c) To determine whether the detection of an exotic marine species meets the Emergency Marine Pest Plan (EMP Plan) criteria for a marine pest emergency, and in that event, to declare CCIMPE and EMP Plan operational and to assist an affected jurisdiction by advising on appropriate response strategies;
- (d) To enable activation of emergency response funding to assist an affected jurisdiction investigate if an incident meets the criteria of a marine pest emergency as specified in EMP Plan;
- (e) To enable activation of emergency response funding to assist an affected jurisdiction investigate the effectiveness of prospective emergency tools;
- (f) To refer proposals to the National Management Group for Marine Pest Emergencies to enable activation of funding assistance under cost-sharing arrangements agreed between the Parties, when an incident meets the criteria of a marine pest emergency as specified in EMP Plan;
- (g) To provide technical advice to an affected jurisdiction on emergency response proposals, and to provide ongoing technical assistance to an affected jurisdiction during the course of a marine pest emergency, and to facilitate access to appropriate technical expertise that is required to assist CCIMPE's deliberations;
- (h) To progressively evaluate and review responses to marine pest incidents to enhance future response arrangements;
- (i) To determine when an emergency response to the detection of a marine pest of concern is no longer appropriate, and to provide technical advice, as requested, to jurisdictions on ongoing management and control requirements, including interim management and control measures to minimise the likelihood of further spread; and
- (j) To review and amend CCIMPE's Operating Guidelines as required.

## 6. CCIMPE Representation

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- 6.1 Standing Committee members of the Australian Government will nominate four representatives, covering environment, agriculture, fisheries and scientific research portfolios, one of whom will be chair.
- 6.2 Standing Committee members of the states and the Northern Territory will each nominate one representative of their jurisdiction.
- 6.3 Jurisdictional representatives are to liaise within their jurisdiction to ensure that relevant (non-lead) agencies are kept informed, and appropriately involved, in marine pest emergencies.

## 7. Cost sharing between the Parties

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- 7.1 Parties will share the eligible costs of emergency responses as follows:
- (a) 50% share from the Australian Government and a 50% share collectively from the states and the Northern Territory
  - (b) Individually the states and the Northern Territory contribution to the 50% share calculated on the basis of the risk-based model outlined in 7.2.
- 7.2 The risk-based model will determine the individual contribution by each state and the Northern Territory to their 50% collective share of emergency response funding. This share will be apportioned according to the following:
- (a) Of the states and Northern Territory collective share, only those parties potentially affected by the agreed pest of concern will contribute.
  - (b) The risk-based model is based on a combination of the State/Northern Territory coastline potentially at risk and the states' and Northern Territory's capacity to pay. Therefore, the individual shares will be calculated by:

State share =

$$\frac{(A) \text{ number of people in the potentially affected length of coastline in that jurisdiction}}{(B) \text{ total number of people in the potentially affected length of coastline in Australia}}$$

Where:

- (i) the total number of people in a potentially affected length of coastline in a State Party's or Territory Party's jurisdiction is determined by assuming that 1% of the jurisdiction's length of coastline potentially affected (risk) equates to 1% of the jurisdiction's population (beneficiaries).
- (ii) When determining the total number of people in a potentially affected area:
  - (A) the potentially affected length of coastline in a jurisdiction, expressed as a percentage of the total length of coastline of that jurisdiction, determines the risk faced by a jurisdiction; and
  - (B) the potentially affected length of coastline is represented by the potential distribution of a marine pest as calculated in accordance with the CCIMPE Operating Guidelines or such other guidelines as the Parties may agree in writing apply.
- (iii) the total number of people potentially affected in Australia is the sum of all of the potentially affected people in the jurisdictions of the affected parties.

Noting that this excludes the Australian Capital Territory, as it is not a signatory to the Marine IGA.

For the purposes of this model the variables will be determined in the following way:

- Population parameters will use the most recently available Australian Bureau of Statistics (ABS) Australian Demographic Statistics. The New South Wales population will not include that of Jervis Bay.
  - Length of coastline parameters will use the most recently available Australian Bureau of Statistics (ABS) found at [www.abs.gov.au](http://www.abs.gov.au). The New South Wales coastline will not include the Jervis Bay territory.
  - Length of coastline affected will be determined using temperature tolerances for the species and Australian Sea Surface Temperatures. The temperature tolerance for the species is calculated according to the critical life limiting phase range (Bureau of Rural Sciences 2008) and mapped against the Australian coastline using Sea Surface Temperature data provided by the NASA Jet Propulsion Laboratory found at <http://podac.jpl.nasa.gov>. Detailed procedures for the method for determining the length of coastline affected (both in Australia and within each jurisdiction) are prescribed in the CCIMPE Operating Guidelines or such other guidelines as the Parties may agree in writing apply.
- 7.3 The combined contribution by the Australian Government, and the states and Northern Territory to declared emergencies will be capped at \$5 million (GST exclusive) on a rolling two year basis. Any requirement for additional funding, in any two years, will be referred to the Ministerial Council for approval.

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.31</b> (NRMMC 13.34)

### RED IMPORTED FIRE ANT ERADICATION PROGRAM

1. Red Imported Fire Ant (RIFA) detection in Brisbane in February 2001 led to one of the largest and most complex responses to an exotic pest in Australia.
2. The NRM Council endorsed a five year eradication program in 2001 and subsequently agreed to a sixth year extension in April 2004. The basis for the endorsement was a cost benefit analysis that predicted the cost to the Australian community would be at least \$8.9 billion dollars over the next 30 years.
3. NRMMC has noted satisfactory progress of the eradication program against agreed milestones and has continually endorsed funding for each financial year of the program.
4. NRMMC 12/PIMC 12 (April 2007) agreed in principle to a five year program to achieve freedom from fire ants, but agreed only to two years funding of \$23.971 million, subject to individual jurisdictions' budgetary processes and with a review to validate the continuation of the program.
5. NRMMC 11 (November 2006) agreed to \$1.53 million funding for a three year eradication program for the Gladstone incursion with \$0.42 million required in 2006-07 and \$0.58 million required in 2007-08.
6. The eradication program has achieved great success, with the Gladstone RIFA incursion seemingly eradicated and a massive reduction in the RIFA population in south east Queensland. Only implementation of the eradication program has prevented RIFA having a significant effect across these areas and has also prevented spread to other states or significantly beyond the originally-identified points of infestation in Queensland.
7. Preliminary modelling of the RIFA population suggested that infestation would continue to be detected until 2009-10. With infestation continuing to be detected this is being confirmed. However, the majority of detections now consist of only one or a few colonies.
8. A major focus of the eradication program is to find the last remaining pockets of infestation. Investigations into novel techniques that aim to increase the effectiveness

and coverage of surveillance above current methodology are continuing in consultation with the program's scientific partners.

9. In April 2007, NRMMC and PIMC agreed in principle to a five year extension for the continuation of the eradication program in south east Queensland, with an initial allocation of two years' funding of \$23.971 million, subject to individual jurisdiction's budgetary processes.
10. Following the Federal Government May 2007 budget, \$10.274 million was allocated to eradication programs for fire ants for the next two years. With the Gladstone program included, the total shortfall in Australian Government funding is \$2.268 million over two years compared with that agreed in NRMMC-PIMC resolutions.
11. Other states (Western Australia and South Australia) have indicated that they will only match the contribution made by the Australian Government. If all funding partners follow suit this will result in a shortfall of \$3.849 million.
12. The reduction in funding has the potential to put the large investment (\$189 million to June 2008) made toward the eradication program at risk, but modelling and the cost benefit analysis may clarify this. The program will work with its funding and scientific partners to modify the 2008-09 work program to investigate whether eradication remains viable with the reduced funds.
13. Funding beyond 2008-09 for the RIFA eradication campaign is dependent on a review to validate the continuation program. Scientific modelling, updating of the cost benefit analysis and a program to increase the level of community support are being completed to provide information for this review and the results of these will be available for presentation to Council in November 2008.

## RESOLUTIONS

14. Councils:
  - (a) **NOTED** satisfactory progress of the National Red Imported Fire Ant Eradication Program;
  - (b) **NOTED** the current funding shortfall for the National Red Imported Fire Ant Eradication Program in 2008-09;
  - (c) **NOTED** that based on current estimates, funding for 2008-09 could be \$7.061 million, compared to the \$10.91 million agreed by Councils in November 2006 and April 2007;
  - (d) **ENDORSED** the following changed reporting milestones for the National Red Imported Fire Ant Eradication Program:
    - (i) Red Imported Fire Ant Treatment program conducted to the satisfaction of the Tramp Ant Strategic Management Committee – reported at the end of each financial year;

- (ii) Red Imported Fire Ant Active and Passive Surveillance programs completed to the satisfaction of the Tramp Ant Strategic Management Committee – reported at the end of each financial year;
- (iii) analysis and evaluation of new Red Imported Fire Ant detections identifies no significant risk to the eradication program – reported at the end of each financial year;
- (iv) scientific evaluation and assessment supports the continuing technical feasibility of eradication – reported at the end of each financial year;  
and
- (v) the existing cost benefit analysis to be reviewed to capture the knowledge gained during the implementation of the program and to attempt to capture the full economic, environmental and social impacts of the Red Imported Fire Ant infestations compared to eradication costs – by June 2008.

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.32</b> (NRMMC 13.35)

## **REVIEW OF THE NATIONAL ELECTRIC ANT ERADICATION PROGRAM**

1. NRMMC 12/PIMC 12 (April 2007) gave approval in principle to a four year program to eradicate Electric Ants, agreeing to the first two years of funding of \$4.067 million (2006-07 to 2007-08) with remaining funding of \$2.816 million (2008-09 to 2009-10) subject to a review to validate the continuation of the program.
2. The National Tramp Ant Committee (NTAC) established an Electric Ant Review Panel to assess the program. The review panel assessed the success of the Electric Ant Eradication Program using criteria from the International Plant Protection Convention and PLANTPLAN.
3. The review panel concluded the eradication of Electric Ants is technically feasible and the Electric Ant Eradication Program has implemented internationally agreed processes that support its objective of eradication. Gauged against the recently established AusBIOSEC national significance criteria, the program would also qualify to continue as a national response program. The review panel came to its conclusions based on the following:
  - verification of eradication success – the surveillance undertaken indicates a high level of success in controlling Electric Ant populations;
  - eradication process – the Electric Ant Eradication Program is supported by specialised protocols and is applying the learnings gained from other tramp ant eradication programs;
  - delimitation – the Electric Ant infestation appears to be confined to Smithfield and Kewarra Beach. The Kewarra Beach detection was reported by the public and indicates the success of awareness program;
  - containment – quarantine regulations have been implemented to prevent spread by humans and are being achieved through a community engagement program;
  - treatment and control measures - surveillance data from the field indicates that the baiting treatments are highly effective;
  - knowledge base – the foundation of the Electric Ant Eradication Program and its continuing operational elements are underpinned by expert input from international and domestic sources;
  - documentation – the operational and community engagement data is managed using the sophisticated and successful existing Red Imported Fire Ant database; and

- program review – under the current Electric Ant review process the procedures are adequate and provide continuous assessment of progress in Electric Ant eradication. Criteria will also be developed to confirm the point at which eradication can be declared.
4. The Electric Ant treatment program is well advanced, with most areas having received five rounds of treatment. No ants have been detected in surveillance since September 2007.
  5. The Report on the Review of the Electric Ant Eradication Program, provided by the review panel to the National Tramp Ant Committee meeting in December 2007, is at Annex A.

## RESOLUTIONS

6. Councils:
  - (a) **NOTED** the Review of the National Electric Ant Eradication Program found that the Program is consistent with international and domestic guidelines for eradication programs and is on track to achieving its goal of eradication (Report at Annex A);
  - (b) **ENDORSED** the Review's key recommendation that the Electric Ant Eradication Program's performance meets the requirements for continued funding, as agreed at the joint NRMCC-PIMC meeting in April 2007; and
  - (c) **AGREED** to continue funding of \$2.816 million for 2008-09 and 2009-10 for the Electric Ant Eradication Program, subject to successful review of the program and jurisdictions' budgetary processes as detailed below:

	%	2008-09 \$	2009-10 \$
Australian Government	50.0	701,500	706,500
New South Wales	19.2	269,376	271,296
Queensland	11.6	162,748	163,908
Victoria	9.9	138,897	139,887
Western Australia	4.6	64,538	64,998
South Australia	2.5	35,075	35,325
Australian Capital Territory	1.0	14,030	14,130
Tasmania	0.6	8,418	8,478
Northern Territory	0.6	8,418	8,478
<b>TOTAL</b>	<b>100.0</b>	<b>1,403,000</b>	<b>1,413,000</b>

**ANNEX A:** Review of the National Electric Ant Eradication Program  
*[Annex is held by the Secretariat]*

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.33</b> (NRMCM 13.36)

### NEXT MEETINGS

1. Dates for meetings of the Natural Resource Management, Primary Industries and Environment Protection and Heritage Ministerial Councils in 2008 were agreed by the relevant Councils in April 2007.
2. The proposed locations reflect the decision in 2002 to rotate Council meetings between all non-Australian Government members and to rotate Standing Committee meetings between New South Wales, Victoria and South Australia (with costs for Standing Committee meetings to be shared by all Australian jurisdictions).
3. The dates of 16-17 October 2008 previously set and agreed to by Councils clash with the parliamentary sitting schedules of several states. Revised dates of 6-7 November, when no jurisdictions have sitting commitments, are proposed.
4. The Council meetings proposed for October 2009 were to be hosted by Tasmania. However, Council meetings scheduled for November 2007 in Western Australia were not held due to the federal election. Western Australia has requested to host the late 2009 meetings.
5. PISC 14 and NRMSC 15 (March 2008) agreed that Primary Industries and Natural Resource Management Ministerial Councils would be best served by meeting separately and not jointly, and similarly for the respective Standing Committees.

### RESOLUTION

6. Councils **AGREED** to meeting arrangements in 2008 and 2009 as follows:

<b>2008</b> Standing Committees Ministerial Councils	11/12 September 6/7 November	New South Wales South Australia
<b>2009</b> Standing Committees Ministerial Councils	19/20 March 23/24 April	Victoria Tasmania
Standing Committees Ministerial Councils	September October	South Australia Western Australia

<b>Natural Resource Management Primary Industries Ministerial Councils</b>	<b>JOINT MEETING</b>
	<b>LOCATION: MELBOURNE</b>
	<b>DATE: 17 APRIL 2008</b>
<b>RESOLUTION</b>	<b>No: 13.34</b> (NRMMC 13.37)

### A NATIONAL APPROACH TO THE TRANSLOCATION OF KANGAROOS

1. Mr Jon Stanhope, Australian Capital Territory (ACT) Minister for Environment, Water and Climate Change, raised the issue of a national approach to the translocation of kangaroos. The ACT Government is of the view that it is appropriate that NRMMC initiates a discussion about these matters with the aim of investigating whether or not the issue of translocation and the management of over abundant populations requires a national approach to achieve consistency across the jurisdictions.
2. The welfare of a contained kangaroo population and the protection of a nationally endangered native grassland with the ACT has been elevated to an international level through the media. In particular the issue of translocation has become a focal point for community and scientific debate.
3. In August 2007 a panel of experts provided a report to the Department of Defence concerning the Belconnen Naval Transmission Station (BNTS), ACT.
4. In February 2008 a panel of experts also provided a report to the Commissioner for Sustainability and the Environment on the above site.
5. Based on the respective reports of each panel of experts, all the experts agree on the following:
  - The natural temperate grasslands and the threatened species within the grassland at BNTS should be preserved and urgent action needs to occur;
  - The current condition of the grassland is poor;
  - The main cause of the current poor condition of the grassland is heavy grazing pressure by the eastern grey kangaroos (the kangaroos). The situation is compounded by the drought;
  - The current density of kangaroos is preventing recovery of the grassland and threatening its long term sustainability;
  - Kangaroo numbers at BNTS (within the fenced area) should dramatically be reduced;
  - The most humane method of removing the kangaroos from BNTS would be through shooting. However, the Australian Federal Police will not agree to the use of firearms because of public safety concerns. In the absence of the use of firearms, the next best method for the humane

removal of the kangaroos is by sedation by darting following by euthanasia by lethal injection;

- No expert requested or supported a specific research project involving the translocation of kangaroos at BNTS, nor any allocation of funds for such a study;
- No release sites have been nominated; and
- All kangaroos remaining at BNTS are therefore to be part of long-term fertility control research with numbers not to exceed more than 1 per hectare subject to an adaptive management approach within the constraints on kangaroo numbers required for fertility control research.

## DISCUSSION

6. The Hon. Peter Garrett AM MP, Australian Government Minister for the Environment Heritage and the Arts, advised that he would be discussing with his Department the issues raised by Mr Stanhope.
7. It was proposed that Council work to progress quickly the National Code of Practice for the Humane Shooting of Kangaroos and Wallabies and that a progress report from Standing Committee be brought to the NRMCC meeting in November 2008.

## RESOLUTIONS

8. Councils
  - (a) **NOTED** a presentation by Mr Jon Stanhope concerning culling of kangaroos in the Australian Capital Territory; and
  - (b) **REQUESTED** the National Resource Management Standing Committee report to Council in November 2008 on progress with the National Code of Practice for Humane Shooting of Kangaroos and Wallabies.

# PRIMARY INDUSTRIES MINISTERIAL COUNCIL

## Communiqué

**PIMC 13**

**17 APRIL 2008**

The Thirteenth meeting of the Primary Industries Ministerial Council was held in Melbourne on Thursday 17 April 2008 to consider issues affecting Australia's primary industries sectors.

### **Climate change initiatives arising from the Ministerial Forum in Cairns**

Council today agreed to work with the Australian Government Minister for Climate Change and Water to inform primary industries sectors on the impacts of emissions trading. The program will follow the Australian Government's announcement later this year on the coverage of the emissions trading scheme.

Council also emphasised the need to advance strategic mitigation and adaptation issues for the sectors. This will be achieved through activities such as regional and sectoral climate change vulnerability assessments and collaboration on research. It was agreed that, as a priority, an economic and industry assessment and analysis of the benefits and costs of scheme coverage for the agriculture, forestry and fisheries sector should be undertaken.

In relation to mitigation research, Council identified four priority areas for consideration:

- means to reduce methane emissions from livestock and nitrous oxide emissions from cropping and fertiliser use
- the life-cycle emissions of primary industries
- carbon sequestration in forests
- better soil management practices.

### **Drought policy improvement – future directions**

Council noted that much of Australia remains drought declared and the evidence of long term climate change is increasingly clear. The need for drought policies which improve resilience of our farming systems and preparedness and flexibility to adapt is widely acknowledged.

Council considered a comprehensive process to review and improve drought policy with the aim of supporting farmers to better prepare for a changing climate and to increase profitability, sustainability and self-reliance. The issue of exit packages for agricultural producers facing barriers to exit would be considered as part of the review.

Council agreed on the importance of consultation with stakeholders in reviewing drought policy.

Council noted that the National Rural Advisory Council's (NRAC) review of expiring exceptional circumstances (EC) declarations is not related to this review of drought policy and will proceed as an independent process.

Council agreed that the rules for receiving assistance would not change for those producers in EC declared areas and areas where EC declarations are extended.

**Agricultural productivity – issues affecting growth and agricultural value chain analysis**

Council agreed that to maintain long term competitiveness, agricultural productivity growth must continue. Primary producers face a range of challenges to increasing productivity and the impact of climate change is an added pressure.

Council agreed to further examine three areas key to agricultural productivity growth:

- workforce
- skills and training
- land use intensity and planning issues.

Council recognised the importance of water management for productivity growth. They acknowledged the considerable amount of work being done in this area and will consider a report on this work in at their next meeting in November 2008.

Council also agreed on the importance of value chain analysis in identifying impediments to productivity growth and priorities for government and industry investment. Ministers will consider the initial results of value chain analysis for one national agricultural industry at their November 2008 meeting.

**National Primary Industries Research and Development & Extension (RD&E) Strategy – future directions**

Council acknowledged that effective research and development is essential to continued productivity growth. To use research resources more effectively and achieve better outcomes for industry, Council agreed to accelerate the development of a National Research, Development and Extension Strategy. The further development of the Climate Change Research Strategy for Primary Industries was supported and will serve as a guide for developing and collaborating on R&D plans.

**National approach to plant and animal quarantine**

In recognising the need to work cooperatively to deliver an effective quarantine system that is consistent with Australia's international obligations under the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures, Council members reaffirmed their commitment to the partnership approach adopted through the Memorandum on Animal and Plant Quarantine Measures signed in 1995 and subsequent amendments made in 2002.

**Progressing market access**

Australian Government, state and territory ministers agreed to work collectively to open overseas markets to Australian produce by seeking the removal of unjustified policies and regulations in those markets that impede the productivity and competitiveness of our agricultural industries.

**Battery cage production systems**

Council noted that in the near future, when Western Australia implements the layer hen welfare reforms as agreed at ARMCANZ 18 (August 2000), all states and territories will have implemented the new standards.

**Layer hen adjustment payments**

Council noted previous discussions on structural adjustment issues in the egg industry and that existing Australian Government programs may provide some support for producers wishing to leave the egg industry.

**Pork industry – Productivity Commission report on safeguards**

Council noted the key findings and recommendations of the Productivity Commission's Safeguards Inquiry into the Import of Pigmeat. In particular, Council noted the findings that the pigmeat industry is facing considerable difficulties at present as a result of higher domestic feed costs and increased imports of pigmeat and that safeguard action is not warranted.

**Honeybee industry**

Council noted that Biosecurity Australia will be requested to review the import risk assessment for the import of overseas bees and their products.

**European House Borer**

Council agreed to extend funding for Western Australia to complete current activities to contain European house borer while a review of the technical feasibility of successful eradication is undertaken. The program is a cooperative effort between the Australian, state and territory governments and the timber industry.

**National co-existence framework for GM crops**

Ministers noted a national framework to develop co-existence strategies for GM and non-GM crops that provides a nationally consistent, non-legislative framework for development of industry-specific, market-driven strategies based on the principle of industry management with government oversight for those states that have endorsed the use of GM crops.

**Promotion of primary industries to the education sector**

Council noted progress on, and industry support of, a national approach to the improved co-ordination of the promotion of primary industries to the education sector. Council agreed to support the development of a national entity for the promotion of primary industries to the education sector, which will provide this coordinated national framework.

**Update on the equine influenza outbreak and the success of the response from the combat states' perspective**

Council welcomed the successful eradication of equine influenza from Australia as a result of the cooperation of all parties and a genuine national response effort. Council congratulated all involved in dealing with the outbreak, particularly horse owners, industry and the broader community who assisted in containing and eradicating the disease.

Council also agreed that the response would be subject to an extensive post-response review, to ensure the valuable lessons learned during this response are captured to inform preparedness and planning for future incursions.

**Development of the organic industry**

Council noted key issues and developments for the Australian organic industry and that a draft National Standard for Organic and Biodynamic Products was scheduled to be released for public comment by Standards Australia in June 2008 prior to finalisation of a new standard by December 2008.

**Agricultural trade – review of developments**

Council noted recent developments in agricultural trade, including intensive discussions aimed at reaching convergence on some of the many outstanding issues in the World Trade Organization Doha Round of agriculture negotiations. Council also noted progress on prospective Free Trade Agreements (FTAs) with Chile, China, the Gulf Cooperation Council, Malaysia and Japan, and negotiations for a regional FTA between the Association of South East Asian Nations and New Zealand.

**Food regulation issues**

Council noted key food regulation issues of relevance to primary production and food industries currently being progressed by the Australia New Zealand Food Regulation Ministerial Council (ANZFRMC) and the Food Standards Australia New Zealand (FSANZ), including primary production and processing, mandatory fortification of food and front of pack labelling.