



Australian Government

Department of Agriculture, Fisheries and Forestry

PRIMARY

INDUSTRIES

MINISTERIAL

COUNCIL

Record and Resolutions

**Seventh Meeting
Melbourne
3 December 2004**

RECORD AND RESOLUTIONS

OF THE

PRIMARY INDUSTRIES MINISTERIAL
COUNCIL

SEVENTH MEETING
MELBOURNE, 3 DECEMBER 2004

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

SEVENTH MEETING

MELBOURNE, 3 DECEMBER 2004

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

SEVENTH MEETING

MELBOURNE, 3 DECEMBER 2004

COUNCIL PARTICIPANTS

The Hon Warren Truss MP (Chair)	Minister for Agriculture, Fisheries and Forestry Australian Government
Senator The Hon Ian Macdonald	Minister for Fisheries, Forestry and Conservation Australian Government
The Hon Ian Macdonald MLC	Minister for Primary Industries New South Wales
The Hon Bob Cameron MP	Minister for Agriculture Victoria
The Hon Henry Palaszczuk MP	Minister for Primary Industries and Fisheries Queensland
The Hon Kim Chance MLC	Minister for Agriculture, Forestry and Fisheries Western Australia
The Hon Rory McEwen MP	Minister for Agriculture, Food and Fisheries South Australia
The Hon John Hill MP	Minister for Environment & Conservation South Australia
The Hon Karlene Maywald MP	Minister for Regional Development South Australia
The Hon Steve Kons MHA	Minister for Primary Industries and Water Tasmania
The Hon Dr Chris Burns MLA (representing The Hon Kon Vatskalis MLA)	Minister for Lands and Planning Northern Territory

OFFICIALS IN ATTENDANCE

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

Australian Government

Ms Joanna Hewitt*	Department of Agriculture, Fisheries and Forestry
Mr Don Banfield	Secretariat
Dr Gardner Murray	Mr Phil Lansdown
Dr Peter O'Brien	Ms Judi Lilley
Mr Bernard Wonder	Ms Lyn Fairweather

Dr Geoff Love*	Bureau of Meteorology
Mr Bruce Stewart	

New South Wales

Mr Barry Buffier *	Department of Primary Industries
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Victoria

Mr Peter Harris*	Department of Primary Industries
Dr Bruce Kefford	

Queensland

Mr Rob Setter*	Department of Primary Industries and Fisheries
Mr Bruce Turner	

Western Australia

Mr Ian Longson*	Department of Agriculture
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South Australia

Mr Jim Hallion*	Primary Industries and Resources SA
Dr Don Plowman	

Mr Robert Freeman*	Department of Water, Land & Biodiversity
Mr Roger Wickes	Conservation

Tasmania

Mr Kim Evans*	Department of Primary Industries, Water and Environment
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Northern Territory

Mr Mike Burgess*	Department of Business, Industry & Resource Development
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Australian Capital Territory

Dr Maxine Cooper*	Environment ACT
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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

SEVENTH MEETING

MELBOURNE, 3 DECEMBER 2004

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PRIMARY INDUSTRIES MINISTERIAL COUNCIL

SEVENTH MEETING

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CHAIRMAN'S OPENING COMMENTS

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

Apologies were noted from:

The Hon Kon Vatskalis MLA, Northern Territory;
The Hon Bryan Green MHA, Tasmania;
Mr Jon Stanhope MLA, Australian Capital Territory; and
The Hon Jim Sutton MP, New Zealand.

Council received a short presentation from Dennis Richardson, Director General, Australian Security Intelligence Organisation, on the implications of the current security environment for the primary industries sector.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.1

TRADE POLICY ISSUES – UPDATE ON INTERNATIONAL TRADE

1. Since the last meeting of Council in May 2004, there have been significant developments across a number of key trade policy areas, some of which are ongoing and have important implications for the export and domestic interests of Australian agricultural industries. These include the WTO Doha Round agriculture negotiations, free trade agreements with the USA and Thailand, and Australian Government initiatives to explore further opportunities to enhance the trade and investment relationships with China, Japan, and countries in South East Asia and the Middle East. Australia remains involved as both a complainant and a defendant in a number of WTO dispute settlement actions that could have important implications for both our quarantine arrangements and export interests. The following review provides status reports in each of these areas.

WTO Doha Round Negotiations

2. On the 31 July 2004, WTO Members agreed to a framework for reform of agriculture as part of the Doha Round agriculture negotiations. The framework covering all three pillars of the agricultural reform agenda will guide the next and final phase of the Doha Round agriculture negotiations – a key step along the way to completing the Doha multilateral round. The agriculture text was part of a broader package of issues.
3. The framework outcome was very positive for the export competition pillar, with Australia securing the elimination of all export subsidies by a date still to be negotiated, tighter disciplines on subsidised export credits and a commitment to work on tighter disciplines to apply to surplus disposal/food aid. Without prejudice to any position, Australia was also able to defer the issue of the future of STE single desk marketing arrangements to a future stage of the negotiations (see below).
4. Large cuts in trade distorting domestic subsidies provided to farmers by many wealthy countries have also been included in the framework, with the highest subsidisers such as the EU and the US making the largest cuts. A down payment reduction of 20% in trade distorting farm support at the start of the implementation period is included. A limit has also been placed on blue box support for the first time and we have an opportunity to try to tighten blue box (eg. EU arable area payments which are conditional on supply controls; US counter-cyclical payments which are linked to current prices) and green box (which refers to non or minimally distorting support, such as research and development, etc.) rules to ensure the policies fit within the intention of the respective types of support.
5. On market access, negotiations were particularly tough and it was not possible at this stage to get agreement on a specific tariff formula reduction. Nevertheless, important principles to guide the next stage of the negotiations have been agreed. For example,

market access will be substantially improved for all products, with the highest tariffs reduced by the greatest amount.

- The approach to market access includes a limited number of sensitive products, which will be subject to more lenient treatment than the general tariff reduction formula. The framework ensures that access to this category will come at a cost (in terms of tariff reductions and tariff rate quota expansion) and that substantial improvements in market access will still be delivered for each product.
 - The overall approach to tariff cuts and market opening is stronger than the proposal Australia was faced with last year in Cancun.
6. Since the July framework, activity has been focused on the more technical reform modality issues. Negotiations including on the more difficult political issues, are expected to pick up early next year leading to the next WTO Ministerial Meeting scheduled for Hong Kong in December 2005.

STEs

7. The framework contains no commitment to eliminate single desk marketing arrangements, although the future of single desks will be discussed in the final phase of the Doha negotiations. It was agreed that trade distorting effects of single desks such as government underwriting are to be eliminated. The operations of State Trading Enterprises (STEs) came under strong pressure from the US and EU during discussions under the export competition pillar. As a quid-pro-quo for elimination of all export subsidies, Australia and other developed country users of STEs – principally New Zealand and Canada – were pushed to eliminate all direct and indirect subsidies provided to or through STEs, including any underwriting and administrative support, as well as to remove restrictions on right to export. Improving transparency is also an issue.
8. The final agreed WTO framework text on STEs is as follows (the ‘end date’ refers to the final date still to be negotiated by which all export subsidies will be eliminated, expected to be some years into the future – transition arrangements are likely to apply):

The following will be eliminated by the end date to be agreed:

...

Trade distorting practices with respect to exporting STEs including eliminating export subsidies provided to or by them, government financing, and the underwriting of losses. The issue of the future use of monopoly powers will be subject to further negotiation.

In addition, on transparency:

Effective transparency provisions... will be established. Such provisions, in accordance with standard WTO practice, will be consistent with commercial confidentiality considerations.

9. The subsidy and underwriting elimination provisions do not appear to pose any difficulty for any of the STEs Australia has notified (AWBI Ltd, QSL Ltd, NSW Grains Board, ABB Grain Export Ltd, Grain Pool Ltd and the NSW Rice Marketing Board). However, this will need to be confirmed for State/Territory based entities.
10. The issue of the future of single desks has thus been deferred until another day. However, in due course, we expect the US and EU to push hard for the removal of monopoly powers.

FTA Negotiations

11. Procedures have been completed to ensure that FTAs with both Thailand and the United States can enter into force as planned on 1 January 2005. While agriculture was always going to be difficult in both negotiations in view of the high protection accorded to this sector in both countries, substantive market access outcomes were achieved in each case that will provide real trade benefits to our agricultural industries. Important market access gains have been made in both agreements for the dairy industry, the meat industry and the horticulture industry, amongst others.
12. Commitments in both FTAs on SPS effectively reaffirm each country's existing rights and obligations under the WTO SPS Agreement and provide in each case for enhanced consultative arrangements. The new arrangements will not compromise the integrity of our quarantine system, nor do they involve any trade-off of our conservative approach in return for market access or any other kind of concessions.
13. The agreements also preserve our single desk export arrangements that exist for a number of agricultural products.

USA

14. The Australia-United States Free Trade Agreement (AUSFTA) was signed on 18 May and the final text is available on the DFAT website.
15. The Agreement was passed by the US Congress in July and has been signed into law by President Bush. The enabling legislation for the AUSFTA was passed by the Australian Parliament on 13 August 2004 and received Royal Assent on 16 August 2004.
16. Diplomatic notes were exchanged in Washington on 17 November, certifying that each party has made the necessary domestic arrangements to allow the agreement to enter into force on 1 January 2005.

Thailand

17. The Thailand Australia Free Trade Agreement (TAFTA) was signed in July 2004 during Prime Minister Thaksin's visit to Australia. Implementing legislation was passed through Parliament on 18 November. Bipartisan support for the FTA highlights the importance of this agreement to Australia's exporters. The way has been cleared in both countries for the agreement to enter into force on 1 January 2005.

China – Australia Trade and Economic Framework Agreement

18. Following the conclusion of consultations on a closer Trade and Economic Framework with China in 2003, agreement was reached during the visit to Australia in October 2003 by Chinese President Hu Jintao to commence a joint study into a possible bilateral FTA.
19. The study now well under way, is exploring trends in the bilateral trade and economic relationship, examining the impact of bilateral trade and investment liberalisation across all sectors and developing conclusions and recommendations on the feasibility of an FTA. The last meeting of the Joint Study Working Group was held in Beijing on 26-29 October 2004 and it is now expected that the study will be completed in March next year earlier than the original October 2005 deadline.
20. The potential opportunities for agriculture from an FTA with China are well understood by industry which is strongly supportive of an early start to negotiations. These issues were discussed at the Australia – China Bilateral Dialogue on Agriculture in Melbourne

on 21-22 November 2004. Preferential access for Australian agricultural products under an FTA with China would be welcomed by portfolio industries. Favourable outcomes to technical market access negotiations would remain critically important to capitalise on the trade opportunities flowing from an FTA.

21. Prior to proceeding to FTA negotiations, it will be necessary for the Australian Government to make a decision as to whether it will grant China so-called 'market economy status' – a precondition set by the Chinese Government. It is expected that some groups within the manufacturing sector will oppose granting China market economy status on the basis that it could diminish their capacity to take out anti-dumping action against imports from China. The Australian Government is working with industry to address these concerns.

Japan – Australia Trade and Economic Framework

22. Although the prospect of an FTA with Japan appears remote in the short term because of agriculture sensitivities, work is underway on a joint study to examine the implications of moving towards the liberalisation of trade and investment between Japan and Australia.
23. The aim of the joint study is to review existing trade and investment links, assess recent international trade policy developments and their implications for trade and investment flows, identify and describe existing barriers to bilateral trade and investment, consider the impact of liberalisation and summarise the findings to enable better consideration of the potential benefits of trade and investment. The most recent meeting of the Joint Study Working Group (JSWG) was held in Canberra on 7-8 September 2004 and was followed by a meeting of the high level Joint Consultative Committee (JCC) which oversees the Working Group, on 9 September 2004. Significant progress on the Joint Study was made at the JSWG meeting.
24. The next meetings of the JSWG and JCC will be in Tokyo 13-15 December 2004. The joint study is due for completion by June 2005.

Malaysia Scoping Study

25. At the Australia – Malaysia Joint Trade Committee (JTC) meeting in Melbourne on 26 July 2004, Australian and Malaysian Trade Ministers agreed to conduct separate but parallel scoping studies on a possible free trade agreement between Australia and Malaysia. This highlights the improved bilateral relationship as well as Malaysia's importance as an economic partner to Australia. Australia's scoping study will identify the benefits of a bilateral FTA.
26. Australia aims to have the scoping study completed early in 2005 which will incorporate public submissions and the outcomes of the consultations with peak industry bodies held in all capital cities in October. The Centre for International Economics (CIE) is conducting the economic modelling component of the scoping study. The study is focusing on the implications of a bilateral FTA for the agriculture, mining, manufacturing and services industries.

AFTA-CER

27. The Prime Minister and his New Zealand counterpart attended talks with Association of South East Asian Nations (ASEAN) leaders in Laos on 30 November. Leaders agreed to the commencement early next year of free trade negotiations aimed at an ASEAN – CER FTA. The broad terms of these negotiations have already been agreed by Trade/Economic Ministers. The negotiations would be concluded within 2 years with full

implementation of the outcomes within 10 years. The very different levels of development amongst the ASEAN countries would be taken into account. When the FTA negotiations proceed with ASEAN and New Zealand, it will be Australia's first foray into a regional free trade area.

28. These positive developments with ASEAN, as well as Malaysia, are recognition of the increasing importance of our regional neighbours as trading partners.

European Developments

Agricultural Reform

29. The EU reached agreement on a package of reforms for the so-called Mediterranean products (tobacco, olive oil, cotton and hops) in April 2004. The reforms follow the direction of the 2003 CAP reforms and provide for full or partial decoupling of existing direct payments, with the decoupled elements becoming part of the single farm payment arrangements. These reforms will be implemented in 2006. Sugar reform was not considered as part of these reforms.
30. On 14 July 2004, the Commission released a modified proposal for reform of the EU Sugar Regime. If endorsed, this proposal would align EU sugar policy with the new CAP principles – including partial decoupling of farm income support. The proposal has not yet been agreed by member states.

EU Enlargement

31. On 1 May 2004, ten additional countries joined the EU (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia).
32. Australia submitted a claim for compensation to the EC on 15 April 2004, advising of a wide range of industries in Australia where trade would be negatively impacted by the enlargement process. While the EC acknowledges that there may be some impact to Australian industries, there has been no agreement on the extent of the damage. Australia's letter of 15 April also suggested that the EC agree to transitional arrangements to allow certain established trade to the 10 new members States to continue to flow pending the conclusion of the WTO Article XXIV.6 compensation negotiations.
33. Australia wrote to the EC on 9 July 2004, seeking transitional arrangements specifically for beef, cheese, butter and sheepmeat. The letter also proposes 'add-ons' to existing Australian allocations under EU tariff quotas for high quality beef, cheddar cheese and sheepmeat. In addition, we proposed that new country-specific allocations be made available to Australia for butter and non-cheddar cheeses. Australia is currently awaiting the EC's response.

Middle East Developments

34. An MoU has been signed with the UAE on live animal trade and negotiations are progressing well with Kuwait.
35. Saudi Arabia has agreed in principle to the concept of a MoU and has established quarantine holding facilities to facilitate the unloading animals in the event of a suspected problem, however negotiations are still continuing on the text of the MoU.

36. Discussions are occurring with industry to seek their support for a MoU on cooperation in agriculture with Eritrea which will provide scope for a regional quarantine holding facility in the Middle East region.
37. The newly established veterinary counsellor in the Middle East has been active in providing assistance in resolving some market access issues with key countries, including Israel, and is playing a significant role in progressing the MoU negotiations.

WTO Dispute Settlement Actions

38. The final panel report on Australia, Brazil and Thailand's challenge to the **EU sugar** regime was released on 15 October 2004. The Panel found in favour of Australia and other co-complainants on the two major claims: that exports of so-called "C" sugar were exported in excess of EU permitted export subsidy volumes by around 2.5 million tonnes; and the EU cannot exempt exports of 1.6 million tonnes of ACP/India equivalent sugar from its WTO export subsidy commitments. The EC has indicated that it will appeal the decision. Final legal outcomes are unlikely before April 2005.
39. There have been no new developments in the important WTO challenges to our **quarantine** arrangements by the EC and the Philippines. Panels have been established but panellists have not yet been appointed even though both the EC and the Philippines have been entitled to request the WTO Director General to appoint panellists since late last year. Both challenges primarily relate to systemic aspects of Australia's quarantine regime. Should both cases go ahead, a WTO Panel could take up to nine months to report its findings.
40. A Panel was established on 2 October 2003 to examine Australian and US claims that the **EC Geographical Indications** regime is discriminatory, overly complex and undermines established rights for agricultural products and foodstuffs. A confidential interim Panel report has been released to the parties and is expected to be released publicly early in 2005.
41. There has been progress in a number of disputes in which Australia is a third party. The US challenge to the **Canadian Wheat Board** has now been finalised with the adoption of Appellate Body (AB) report on 27 September 2004. There were no negative implications regarding STE operations from an Australian perspective.
42. On the US challenge to **Japan's quarantine measures on apples**, the WTO AB Report released on 26 November affirmed that Japan's quarantine measures to prevent the transmission of fire blight via mature symptomless apples was inconsistent with Japan's obligations under the SPS Agreement. The AB report upheld the Panel's findings that Japan had breached its WTO obligations because it had maintained its measures without sufficient scientific evidence and Japan had not conducted a risk assessment in accordance with established principles. Japan issued revised quarantine measures on 30 June. At US request, a WTO dispute panel has been established to examine the WTO consistency of Japan's revised measures. The first hearing took place on 28 October.
43. On the Brazilian challenge to **US cotton subsidies**, the Panel's final report was released to the parties on 8 September, finding largely in favour of Brazil. On 18 October, the US notified its decision to appeal the Panel findings.

44. The WTO Director General appointed a Panel in March 2004 in the US challenge to the **EC ban on GMOs**. The challenge by the US, Canada and Argentina focuses on the EC's moratorium on the approval of genetically modified organisms and the marketing and import bans maintained by some EC member states on genetically modified products. The first oral hearings were held in June 2004. The Panel process has been delayed because of the complexity of the case (an expert Panel has also been appointed). The Panel is expected to issue its final report in mid-2005.

RESOLUTION

45. Council **NOTED** recent achievements in the agricultural trade area, particularly the WTO Doha Round framework agreement, finalisation of arrangements for entry into force of both the US and Thailand free trade agreements, as well as positive developments towards early FTA negotiations with China and other Asian trading partners.

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	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.2

HEALTH CLAIMS ON FOODS

1. The Food Regulation Ministerial Council (FRMC) establishes policy for the development of Food Standards in Australia. Membership of FRMC includes Health and Agriculture Ministers in the Australian Government, States and Territories and New Zealand.
2. FRMC has been considering policy in relation to health claims on foods for some time. Once a policy is established, Food Standards Australia New Zealand (FSANZ) will proceed to draft a standard for consultation and ultimate adoption through an established procedure.
3. FRMC met in May 2004 and considered a proposal for the regulation of biomarker maintenance health claims. A narrow majority preferred the option of retaining such claims in the “high-level” category, requiring a 12 – 18 month pre-market approval process and consequent disclosure of intellectual property.
4. Since the May 2004 meeting a number of opportunities have emerged, which have resulted in the preparation of a new proposal, based on an alternative streamlined approach to the regulation of such claims. The proposal, circulated by the NSW Minister for Primary Industries, the Victorian Minister for Health and the New Zealand Food Safety Minister, will avoid the delays and disclosure of intellectual property associated with “high-level” claims.

DISCUSSION

5. Council agreed that the Chair write to Health Ministers seeking their support for a joint Health/Primary Industries working group to prepare a proposal for a streamlined approach to regulation of biomarker maintenance claims for consideration by the Food Regulation Minister Council.

RESOLUTIONS

6. Council:
 - (a) **NOTED** the proposal from the NSW Minister for Primary Industries, the Victorian Minister for Health and the New Zealand Food Safety Minister sent to the State and Territory Ministers for Health and Primary Industries;

- (b) **NOTED** the value of biomarker maintenance claims on primary production sectors, innovation and consumers; and
- (c) **REQUESTED** Health Ministers to support a joint Health/Primary Industries officials working group to prepare a proposal for a streamlined approach to regulation of biomarker maintenance claims for consideration by the Food Regulation Ministerial Council at its next meeting on 31 March 2005.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.3

DROUGHT POLICY

1. Dr Geoff Love, Director of Meteorology, in briefing Ministers on current climate conditions, noted that since the beginning of 2004 rainfall had been below average over much of south-eastern Australia, south-west WA and in east-central Queensland. In contrast, much of WA, the NT, western SA, western Tasmania and isolated pockets in Queensland and northern NSW had recorded above to very much above average falls in the same period. Dr Love explained that while some oceanic indicators were close to levels experienced during El Niño events, other atmospheric indicators were not. Consequently, the summer outlook for much of Australia was for generally near average conditions, with the exception of Queensland and north-eastern NSW, where there was an increased likelihood of below average rainfall and above average temperatures.
2. At PIMC 5 (May 2004) Council agreed that key issues identified at the April 2004 National Drought Roundtable be taken into account in developing future drought policy.
3. Council requested that the PISC's Industries Development Committee (IDC) consider the key issues identified at the Roundtable and progress work on simplifying EC processes and shifting the emphasis from business support during drought towards preparedness for drought.
4. At PISC 7 (Supplementary meeting, November 2004), Standing Committee endorsed the following agreed drought policy reform principles which will form the basis of future drought policy reform work:
 - (a) there will be no automatic EC declaration process to trigger the provision of EC income support (the National Monitoring System will simply aid EC application and decision making);
 - (b) the National Rural Advisory Council (NRAC) will continue to provide independent advice to the Minister on EC applications;
 - (c) all applications will continue to be lodged by the relevant State or Territory;
 - (d) the EC criteria should be amended to include a measure of production impact rather than financial impact;
 - (e) the "front end" of the EC application and assessment process, should be streamlined, including the development of an NMS to assist with these processes; and
 - (f) rare and severe events should be categorised, equivalent to a one in 20-25 year, as exceptional circumstances.

Preparedness

5. “Preparedness” is managing climate risk and implementing appropriate risk management strategies; it implies farm business managers take responsibility for, and are able to demonstrate planning and actions for managing Australia’s inevitable climate variability. Measures employed by farmers may range from the use of financial tools such as Farm Management Deposits (FMDs) to drought mitigation techniques such as on-farm fodder and water reserves.
6. There will always be scope for further efforts to improve drought preparedness in Australia; the IDC regards it as a continuous process as, indeed, do progressive farmers. There may be scope for short-term and longer-term improvements in government policy settings and assistance as our understanding of the causative factors behind why some farmers prepare for drought while others do not, is improved. As part of any new drought policy, a monitoring and evaluation strategy is required to assess whether drought preparedness is increasing over time.
7. The improved focus or refinement of programs such as FarmBis to target increased participation in training activities on farm business planning and risk management practices is considered a priority. Standing Committee also considers that community grants could be considered as a drought preparedness element of future business support.
8. There are substantial gains for all governments through the introduction of consistent measures across State/Territory borders, to avoid pressure for introduction of alternative measures. A commitment to new national measures in the medium term is proposed.
9. There would also be benefits in reviewing research and development, including programs and priorities related to drought preparedness, to ensure this is being efficiently addressed and disseminated throughout all jurisdictions.

Preparedness Obligations

10. Under the National Drought Policy, business assistance is provided for farmers meeting eligibility criteria. To strengthen the message that drought preparedness is the responsibility of farmers, consideration could be given to the eligibility criteria for business assistance (NOT welfare assistance) being amended to require applicants to demonstrate they have made reasonable attempts to meet this responsibility. There would need to be a coordinated communication and transition strategy to such an approach.
11. The intention is not to penalise farmers who do not undertake preparedness measures. Instead, these farmers could be encouraged, as part of the application process, to consider how they can prepare (eg by making decisions early) or to declare a commitment to carry out future preparedness activities.

Commercial Options

12. Council requested IDC to examine measures to build capacity of individuals to utilise commercial options to manage climate risk. As part of this process, IDC examined impediments to markets for commercial instruments.

13. IDC found that the main impediment to the development and take up of commercial instruments to manage climate risk is so-called systemic risk. This arises as the result of many people insuring for the same risk (eg drought) with large numbers of insurance holders being affected by this risk at the same time, resulting in either insufficient capital reserves to make payments, or prohibitive premiums (or large government subsidies to underwrite risk). Multi-Peril Crop Insurance (MPCI) has not been demonstrated to be commercially viable for this reason as well as the lack of available data and other risks, including the so called moral hazard risk (eg a farmer being over insured resulting in lack of incentive to avoid misfortune). Work undertaken by the Australian and Western Australian Governments supports this conclusion.
14. Weather and yield index derivatives and commodity instruments are becoming available and it may be feasible for smaller farms to form cooperatives to achieve the economies of scale to make these derivatives worthwhile for their businesses and for private providers.

National Monitoring System

15. The National Monitoring System's (NMS) key objective is to streamline EC application and assessment processes, through the collation of relevant data and analyses on a single website. The site will contain historical production data and maps of the information that underpins EC decision-making. The NMS would be made widely available and accessible to stakeholders in the agricultural sector as an indicator of production conditions. It would be an aid in EC decision making rather than a decision making tool in its own right.
16. A Scientific Working Group (SWG) was formed by IDC in early October 2004.
17. The SWG recommends that in terms of EC—and indeed in the context of the proposed NMS—rainfall cannot be used as the sole indicator of seasonal conditions.
18. The SWG has identified a set of models in an attempt to cover the five major agricultural industry types: Dryland Livestock, Dryland Cropping, Horticulture, Intensive Livestock and Irrigated Crops and Pastures. Initially, four models have been chosen for inclusion in the NMS. These would provide an NMS with an appropriate coverage of major Dryland Pasture and Dryland Cropping industries (which make up a significant proportion of EC applications) across Australia. The SWG recommends that development of appropriate operational models for Horticulture, Intensive Livestock and Irrigated Crops and Pastures be considered in the context of jurisdictions R&D programs and priorities.
19. The SWG proposes that the NMS should be capable of resolving production information at the scale of Local Government Areas or Statistical Local Areas.
20. In relation to the indicative cost of an NMS, there are likely to be savings in minimising duplication and in streamlining the application and assessment process. The SWG note that an NMS would not be feasible if it did not draw on already well established infrastructure. However, the marginal cost of an NMS is currently unresolved. The issue needing clarification is apportioning of additional costs to jurisdictions for delivery and integration of input data/analyses into an NMS, including ongoing maintenance and development costs.

21. The SWG undertook six case studies that successfully demonstrated how combinations of climate, resource condition, contextual variables and modelling from the proposed NMS would allow the monitoring and assessment of the present and emerging production season for EC application and assessment purposes.

Improving Preparedness Further into the Future

22. The IDC wishes to determine the most significant causative factors behind why some farmers prepare for drought while others do not, and to use this information to target relevant segments of the industry with appropriate measures to enhance greater uptake of preparedness measures. Such an approach will require dissemination of knowledge about preparedness measures, with programs aimed at changing attitudes to risk management, and initiatives aimed at changing behaviour in farming practices.
23. The IDC requested assistance from the BRS on the social dimensions of farmer drought preparedness. BRS is currently preparing a report, which synthesises readily available material to identify causative factors behind why some farmers prepare for drought, and others do not.
24. It is expected that this analysis will provide information to support improved design and uptake of drought preparedness measures. The report will be completed by mid-December, and the outcomes will be available to inform the AAA Rural Producer Survey.

Longer Term Reforms

25. Streamlining current National Drought Policy arrangements by improving preparedness programs and EC declaration processes is useful but there are some crucial issues still not being addressed. In particular, the systemic nature of risk associated with widespread droughts leads to extensive media reporting, typically focussing on farmers in dire straits, rather than those who prepare and manage well. Pressure rises to provide extra assistance outside EC
26. It is appropriate, therefore, to continue researching alternatives to the current drought assistance measures. There are no clearly evident workable solutions at this stage but research should continue to improve the efficiency and equity of National Drought Policy.
27. Small business and education issues, during drought, were highlighted during the Drought Review Panel's consultation and the National Drought Roundtable. As these issues are the responsibility of other Ministerial Councils, it is considered appropriate for these matters to be referred to them for action.

DISCUSSION

28. In discussion on this item, it was emphasised that to achieve a true national drought policy, it was necessary for States to consider harmonising their drought declaration and assistance measures. It was agreed that Standing Committee should be given flexibility to further develop elements of a national drought policy, including investigating possible consistent approaches to drought declaration and assistance measures, for consideration by Council at its next meeting in April 2005.

RESOLUTIONS

29. Council:

- (a) **AGREED** that all jurisdictions aggregate and review their extension materials relating to drought preparedness to ensure national coordination of existing guides and industry information;
- (b) **AGREED** that all jurisdictions review their research and development (R&D) programs and priorities in relation to drought preparedness to: enhance national awareness of relevant R&D projects and results; and facilitate greater engagement with R&D corporations;
- (c) **AGREED** that ultimately the National Monitoring System and non-confidential data held by jurisdictions about drought preparedness may be made available to the private sector to encourage the development of market instruments to manage farm risks;
- (d) **AGREED** that FarmBis be refined to target increased participation in training activities on farm business planning and risk management practices;
- (e) **AGREED** that community grants to encourage communities to prepare for drought, or ameliorate its consequences, should be considered as an element of future business support;
- (f) **AGREED** to further investigate as part of the preparedness approach, a strategy to encourage a shift to cross compliance for business support and a coordinated communication strategy as part of any transition to such an approach, with a report back to Council at its next meeting on the proposed strategies;
- (g) **AGREED**, as part of any new drought policy, that a monitoring and evaluation strategy is required to assess whether preparedness is increasing over time;
- (h) **NOTED** the view of IDC that improving preparedness is a continuing process and there is scope for further research to reform drought policy over the longer term;
- (i) **NOTED** the presentation by Dr Peter O'Brien, Executive Director, Bureau of Rural Sciences, and progress made by the Scientific Working Group in further examining the National Monitoring System;
- (j) **AGREED** that the proposed National Monitoring System be further developed and considered including as a basis to making automatic Exceptional Circumstances drought declarations;
- (k) **NOTED** that the proposed National Monitoring System may not only assist in EC decision making but may also assist in developing commercial risk management products and may assist in future policy making at national and State/Territory level;
- (l) **NOTED** progress made by Bureau of Rural Sciences to assist IDC in understanding the causative factors about why some farmers prepare for drought whilst others do not;

- (m) **NOTED** that education and small business matters raised outside of this Council's scope and responsibility will be referred to the appropriate Ministerial Council; and
- (n) **AGREED** that Standing Committee be given flexibility to further develop elements of a new national drought policy including arrangements to apply under Exceptional Circumstances, for consideration at the next Council meeting in April 2005. Standing Committee should also consider possible measures for harmonising State drought declaration and assistance measures.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.4

EXCEPTIONAL CIRCUMSTANCES REFORM – FUNDING MECHANISM

1. Council considered a paper presented by the Western Australian Minister for Agriculture, Forestry and Fisheries, the Hon Kim Chance MLC, concerning alternate funding mechanisms for Exceptional Circumstances support.
2. Since year 2000-01 (up to 31 October 2004), a sequence of adverse events in Western Australia has meant around \$46 million of special assistance has been allocated to affected agricultural enterprises for business and other support measures, with 52% of these funds sourced by the State.
3. There has been a long-standing impasse between the Australian and State Governments on future Exceptional Circumstances (EC) funding arrangements. Western Australia had repeatedly called for reform of the business support arrangements to make them available in a more timely way, and to be more targeted to those in genuine need of emergency assistance due to the stage of the business cycle that they are in.
4. The Western Australian proposal was intended to streamline the system by ensuring one, uniform approach to assistance from both levels of government.
5. For drought affected farmers, Western Australia supports the retention of:
 - (a) Income Relief Payments fully funded by the Australian Government and administered through Centrelink; and
 - (b) business support through an Interest Rate Subsidy funded on a 50/50 shared basis between the State and Australian Governments.
6. It was proposed that the maximum shared liability for business support for single EC events should be capped (i.e. \$10 million Western Australia, \$10 million Australian Government) according to bilateral agreements, with the Australian Government taking responsibility for funding beyond the capped amount. Limiting liabilities to pre-determined caps will provide greater budget certainty to the States. Based on recent Western Australian experiences, total State business and financial assistance contributions for EC events would have been no greater with the proposed reforms in place. The bilateral agreements should also provide for more rapid release of required assistance.
7. Western Australia also proposed that State assistance funds directed into drought situations prior to EC declarations, within a predetermined 'basket' of measures, should be included as part of that State's contribution under the 50/50 shared funding arrangement. The agreed 'basket' would comprise a series of business and other

financial assistance support measures, to address such things as animal welfare, land degradation and community assistance, and which take into account regional and industry differences. State assistance measures would remain important in directing assistance in timely way.

8. Western Australia indicated its preference that Interest Rate Subsidies continue to be allocated on the basis of total farm debt for eligible farm businesses. Individual allocations could be managed through an appropriate set of assets and other financial checks to ensure Interest Rate Subsidies are targeted to those who are most in need. Allocations based only on new debt incurred as a result of the drought may be an acceptable alternative to target assistance to the most needy, pending the development of appropriate eligibility criteria. If a new debt system is implemented, the average level of assistance to individuals would be reduced. However, the total quantum of Government assistance should be maintained. This could be achieved, as necessary, by adjusting eligibility criteria and making assistance available to more affected businesses or alternatively, as per the general thrust of EC reform, in providing a greater quantum of the assistance through drought preparedness mechanisms.
9. Extension of EC assistance to non-farm businesses was supported by Western Australia subject to eligibility requirements being jointly developed by both the Australian and State Governments.
10. The new arrangements should apply to new, not existing, adverse seasonal events. Assessing and funding all existing and pending EC applications under the current system was recommended to avoid confusion.
11. Any requirement for States to make 'drought' declarations prior to approaching the Australian Government for EC assistance was not supported. Substantial prior State assistance, as a qualifying requirement for EC declaration, was also not supported. Demonstrable State commitment would be best achieved within the proposed bilateral funding arrangements.

DISCUSSION

12. Council considered Western Australia's proposal and acknowledged that it was essential that the issues raised by Western Australia and other States in relation to EC funding, including bilateral agreements between the Australian Government and each State, be considered by Standing Committee prior to the next meeting of Council in April 2005.

RESOLUTIONS

13. Council:
 - (a) **NOTED** the following recommendations by Western Australia for funding reform of future exceptional adverse seasonal events:
 - (i) the Australian Government continues to fully fund income relief payments as per existing practice;
 - (ii) business support continues to be provided on the basis of an Interest Rate Subsidy jointly funded by both the State and Australian Governments;

- (iii) all State business and other financial assistance provided, within a pre-agreed 'basket' of assistance measures, be included in the States' component funding;
 - (iv) bilateral agreements between the Australian Government and each State for 50/50 shared funding for business and other agreed financial support measures be established up to an agreed cap, with the Australian Government taking responsibility for any excess requirements (for Western Australia, it is suggested that the shared funding liability be capped at \$20 million per single event); and
- (b) **AGREED** to refer this issue to Standing Committee for consideration.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.5

AUSTRALIAN DAIRY INDUSTRY – CURRENT SITUATION

1. At PIMC 5 (May 2004), Council requested Standing Committee (PISC) to undertake a review of the Australian dairy industry and to report back to Council by October 2004. The Industry Development Committee (IDC) was tasked with undertaking the review.
2. The IDC agreed that the Australian Bureau of Agricultural and Resource Economics (ABARE) would undertake the study. The terms of reference for the ABARE study were to:
 - (a) identify key drivers and factors contributing to the current national issues in the Australian dairy industry, including but not limited to the effects on the industry from drought including the impacts of increased inputs costs and on farm debt levels; processor competitiveness issues resulting from the drought and deregulation and their impact on the industry; and international prices and the level of the Australian dollar;
 - (b) identify demand side trends in final demand chain, examining the trends in global demand for dairy products, the impact of exchange rate and changing global markets and trading conditions. This will also cover off on short and medium term projections for the Australian industry; and
 - (c) make recommendations for terms of reference for a more in depth study to be undertaken by ABARE in 2004 if necessary.

Summary of the ABARE Review

3. ABARE's paper analyses the state of the dairy industry in Australia and the drivers contributing to current industry issues. These have been identified as recovery from the current drought; management of feed production; and efficiencies in the milk manufacturing sector. The paper provides a very positive outlook in the medium to long term. It indicates that dairy farmers have coped well with the phasing out of government support over the last 15 years, and it is predominantly the effects of the drought that have recently had the most significant impact on the industry.
4. South Australia, Tasmania and Victoria, are States that export much of their milk products and consequently are more exposed to the influence of world prices. These States predominantly supply manufacturing milk, although it is widely accepted that all milk prices are benchmarked from world prices. In 2002-03 the Australian dairy industry experienced lower export prices and higher production costs, subsequently farm cash incomes fell significantly, coinciding with the one in one hundred year drought, with Queensland dairy farms experiencing the most severe farm cash income reductions.
5. The drought had been a major contributor to the current state and national issues present in the dairy industry. Most dairy farmers were unprepared for the drought both in length

and in severity. The ramifications of increased on farm costs from the sharp rise in feed and water expenditure is seen as the main driver of the levels of farm debt being experienced by some in the dairy farming community. Recovery from the drought is dependant in part on farmers being able to manage and reduce this debt level. In 2002-03 particularly, many dairy farmers experienced uncharacteristically high feed and grain prices, along with water shortages. Significant numbers of farmers in the most drought stricken areas culled a percentage of their herd as well, resulting in the need for herd rebuilding to assist recovery. In 2003-04, feed prices are returning to a more manageable level and farmers are slowly rebuilding their herds in order to increase milk production.

6. Milking patterns are also suggested by ABARE as one of the drivers for regional productivity, and they include in the report a detailed analysis of regional production measures and corresponding income variables. This comparison seems to indicate that regional specificities contribute to whether farms with year round milking patterns are more profitable than seasonal patterns. In Victoria, for instance, nearly 95 percent of farmers are seasonal producers. These farmers had higher incomes than year round producers. Seasonal production has the advantages of an increased ability to grow feed over year round producers. Year round producers while able to produce more milk, faced much higher feed and water costs. Conversely however, in South Australia, year round producers fared better in 2002-03.
7. Another of the issues raised in the ABARE study is herd and feed management. Rebuilding herds and increasing milk production for many farmers is dependant on ensuring that they have a sustainable feed management regime and that milk prices are strong enough for them to warrant the increase. The scoping study indicated that both milk production and prices being paid at farmgate are rising. The increase in milk production will also be of benefit to manufacturers who were identified in the study as being at risk due to lower milk volumes. In Victoria milk production fell by 13% or 1 billion litres in the two years since 2001-02 and production declined by a smaller percentage in all other states except Western Australia, where production increased slightly. This situation has resulted in making some of the processing facilities inefficient and consequently eroding the profits, particularly for milk co-operatives.
8. The ABARE study reports that dairy farmers have adjusted well to the new market environment, and utilised the \$1.94 billion dollars of assistance measures allocated to structural adjustment until 2008. It is expected that further rationalisation may occur in the manufacturing sector as it has in the milk production sector as a result of competition, as well as greater efficiencies being sought between the companies in transport and production capacity.
9. The report demonstrates that average dairy farm cash incomes increased in 2003-04 in all states except Tasmania as the impact of the drought eased, and the medium to long term outlook for the industry is good. While there will continue to be some rationalisation across both the farming and manufacturing sectors, there is a strong demand internationally and domestically for dairy products and with upward shifts in the consumption of dairy in South East Asia, this demand is likely to remain strong.
10. In response to the issues facing the dairy industry, Dairy Australia released a comprehensive report into the dairy industry as well as a suite of initiatives designed to help dairy farmers nationally manage the issues discussed above. The survey that formed the basis of the report is seen to be a quite detailed undertaking, that also reflects farmer attitudes and in conjunction with the ABARE study is seen as a most comprehensive and up to date analysis of the current situation and future industry outlook.

11. Dairy Australia plans to use the Situation and Outlook Report as a strategic document to plan programs tailored to assist dairy farmers where assistance is most needed. The industry has formed a strategic alliance with Dairy Australia to facilitate this and is substantively behind the objective. The Dairy Australia report has detailed chapters on issues specific to states and regions, and recommendations to their outlook for recovery.
12. In light of the work currently being undertaken in the industry, the IDC was of the opinion that further study by ABARE was unnecessary at this time. Indicative costings for a wider study undertaken by ABARE would be in the range of \$150,000 to \$250,000 and the IDC believed that at this time there is not sufficient value in undertaking such a study.
13. PISC 7 (September 2004) agreed that no further analysis was required and that the original request of PIMC had been satisfied. In addition, PISC agreed that it would recommend to Council that the study be made available for public release.

RESOLUTIONS

14. Council:
 - (a) **NOTED** the findings of the review into the state of the dairy industry in Australia undertaken by the Australian Bureau of Agricultural and Resource Economics. The difficult business environment in some dairy regions has arisen as a result of severe drought conditions, lower world prices and lower domestic prices in some States, higher Australian dollar and increased feed grain prices and that, while these factors have adversely affected the industry, the outlook in the medium to long term remains positive;
 - (b) **NOTED** the review provides a comprehensive assessment of the industry situation and meets the requirements of Council as set down in the PIMC 5 (May 2004) decision; and
 - (c) **AGREED** that the ABARE study be released.

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	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.6

LAYER HEN HOUSING

1. PIMC 5 (May 2004) requested Standing Committee to 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 (up to 30 years or more in many cases), and who are staying in the industry and are upgrading their cages to meet their 2008 requirements. This would include consideration of assistance being provided through the establishment of a national levy on the retail price of eggs, collected at the wholesale level as proposed by the Australian egg industry.
2. An Industries Development Committee (IDC) Working Group was formed to consider this issue and operated under the following terms and conditions:
 - (a) analysis of assistance required;
 - (b) an examination of existing programs; and
 - (c) additional assistance measures that are required. Funding mechanisms including a national levy as one of several options.
3. A number of potential options regarding structural adjustment assistance, together with a discussion of the key issues concerning the options were presented. The options broadly were:
 - . OPTION A- No further assistance beyond existing programs;
 - . OPTION B- Capital cost assistance as per ABARE Report;
 - . OPTION C- Cage scrapping scheme; and
 - . OPTION D- Industry proposed package.

ABARE Report

4. The key findings of the ABARE Report as previously reported to Council were that:
 - (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 up to \$3.8 million for an economic life of 20 years (\$6.6 million for cages with an economic life of up to 30 years).
 - (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. Therefore, consumers would be expected to bear the vast majority of the costs of the reforms.

Industry Position

5. Council was informed that the industry, as represented by the Australian Egg Corporation Limited (AECL) and Australian Egg Industry Association (AEIA), was seeking Government assistance to upgrade their capital, as conversion to new cages represents a significant capital cost. The AECL had put forward a proposed package to be funded by a national consumer levy on the retail sale of eggs.
6. The cost of this comprehensive package based on total of \$40 per bird amounted to \$434 million. This is an option, OPTION D, to fully assist in structural adjustment to the ARMCANZ 18 decisions.
7. In relation to the egg industry position, at PISC 7 on 23 November 2004 New South Wales requested that particular note be made of the following points:
 - (a) the specific industry-requested elements in relation to accelerated depreciation, duty rate concessions for imported cages and exit help;
 - (b) that industry is concerned that imposition of a levy at or before the wholesale point will not be passed on to consumers by retailers; and,
 - (c) proposes that an IDC working group meet with the Australian Taxation Office.

Impacts on Industry

8. The ARMCANZ 18 decisions will require the majority of Australia's 300 producers in the cage egg industry to upgrade their cages. While a minority of producers have all their cages already meeting the 2008 standards, the position in 2001 was that 74% of cages will need to be upgraded, and currently it is estimated that half of all cages still remain to be upgraded. Producers have the following options:
 - Upgrading cages to new standards in existing sheds;
 - Upgrading cages to new standards in new sheds;
 - Relocating egg enterprise from peri-urban area to grain producing area with new sheds and cages;
 - Conversion of all or part of the enterprise to barn or free range systems;
 - Moving to another form of primary production; or
 - Exiting primary production altogether.
9. A recent update of a survey of producer intentions and cage capacity by Geoff Runge of QDPI&F commissioned by the Australian Egg Corporation Ltd (AECL), states that of January 2004 36 percent of cages already met the new Code, and a further 14 percent are now built or planned to be built. There are thus no active plans for half of the current cage capacity. The industry commissioned study predicted that without assistance there could be a shortfall of cage capacity of over 4 million birds (33 percent) in 2008.
10. At present industry has indicated that producers are waiting for two factors: certainty that the new Code will be enforced (Regulations enacted), and that the issue of an assistance package is resolved. Until then the transition to the new cage systems will be delayed.

Animal welfare issues

11. The animal welfare lobby is unlikely to support the funding of new cages by Government, either from consolidated revenue or a specific purpose levy. These

groups generally do not support the existence of caged bird systems, and would have preferred that industry be required to convert to barn or free range systems.

DISCUSSION

12. Ministers discussed the issue of structural adjustment and recognised that imposing a levy would be exceptionally difficult to achieve. Council was reminded that with the imposition of new standards there are costs and that this should be taken into consideration.

RESOLUTIONS

13. Council:
 - (a) **AGREED** that, to reaffirm Council's commitment to implement the layer hen welfare reforms as agreed at ARMCANZ 18 (August 2000), all jurisdictions commit to introduce legislation giving effect to those decisions, and communicate this commitment to industry;
 - (b) **NOTED** that in taking the decision of ARMCANZ 18, Council considered the minimum 8 year lead time was adequate and avoided the need to provide adjustment assistance;
 - (c) **NOTED** the estimates for possible assistance to the industry include: no assistance further to the 8-year lead time; \$6.6 million identified by the Australian Bureau of Agricultural and Resource Economics (ABARE), taking into account the need to consider cages with an economic life of up to 30 years; up to \$40 million for a cage removal scheme; and \$434 million proposed by the egg industry;
 - (d) **NOTED** the issues raised by the IDC Working Group on the option of providing structural adjustment assistance (including retrospective reimbursement) through a national levy, including the policy and logistical issues associated with providing assistance to the estimated total 300 cage egg producers in Australia;
 - (e) **NOTED** the comments by the Australian Government Minister for Agriculture, Fisheries and Forestry at PIMC 5 (May 2004) regarding the significant equity and political issues with providing potential assistance, particularly if funded through a national levy, and that this would be conditional on Federal Cabinet approval and an assurance of bipartisan political support; and
 - (f) **NOTED** that agreement to provide any assistance would require the States and the Australian Government to provide funding on a basis to be agreed by Council, including funds in advance if a national levy is implemented.

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	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.7

FOOD REGULATION STANDING COMMITTEE AND COUNCIL

1. The Australia New Zealand Food Regulation Ministerial Council, which comprises Health and Agriculture Ministers from the Australian, New Zealand and State and Territory Governments, is the body responsible for developing food policy for Australia and New Zealand. The Council met on 28 May 2004 and decided a number of policy issues that will have significant impacts on food production and processing industries.
2. The Council discussed the appropriate approach to regulating the use of biomarker maintenance claims on foods (for example ‘maintains healthy cholesterol’). Ministers determined that claims regarding the maintenance of a biomarker would be permitted on foods and will be treated in the same way as enhancement claims. That is, manufacturers will be required to apply to Food Standards Australia New Zealand (FSANZ) for approval of a biomarker maintenance claim, prior to releasing the product to market.
3. The Council agreed to a Policy Guideline for the Fortification of Foods with vitamins and minerals. The policy covers both mandatory and voluntary fortification of food. Ministers agreed that vitamins and minerals may be added to food where there is, for example, demonstrated evidence of a potential health benefit, and it is clear that the fortification of a food will not result in harm. Ministers also agreed with FSANZ that mandatory fortification of food with iodine and folate, should be considered as a priority. Work on drawing up a standard will commence in the next two months.
4. In August 2003, Ministers requested that FSANZ conduct a review to compare Australia’s GM labelling requirements with current international practice. Ministers considered the outcomes of this review and noted the high level of industry compliance with Australian and New Zealand requirements. Ministers requested that FSANZ continue to monitor international trends on GM labelling and report to Ministers on progress. The final report of the *Review of Labelling of Genetically Modified Food* is publicly available on the FSANZ website (www.foodstandards.gov.au).
5. The outcomes of the Food Policy Stakeholder Consultation Forum, held in March 2004, were considered by Ministers and will be used to inform ongoing improvements to the food policy development process.

RESOLUTION

6. Council **NOTED** the outcomes of the May 2004 meeting of the Australia New Zealand Food Regulation Ministerial Council.

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	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.8

RESEARCH – INVESTMENT IN PRIMARY INDUSTRIES

1. In examining the roles of agriculture research and development and adoption in each jurisdiction, the Research and Development (R&D) Sub-committee commissioned a short term review. The three primary objectives of the review were to:
 - (a) stocktake current agricultural R&D within the PISC framework;
 - (b) evaluate return on investment achieved in agricultural R&D; and
 - (c) comment on models for delivery and adoption of agricultural R&D.

2. The consultant gathered information through jurisdiction-provided data on agricultural R&D investment and interviews with 21 PISC agencies at CEO/Senior Executive level. The consultant also undertook a parallel analysis using ABS data to try to ensure integrity of the Review’s analysis.

3. The Review drew a number of broad conclusions at the national level:
 - . While Australia continues to make a substantial investment in agricultural R&D – currently estimated at \$1.1 billion – given the significant increase by governments in “special initiatives” such as NRM, biotechnology and biosecurity, it is likely that there is a decline in investment in traditional R&D. There are also indications of reduction in public funding for extension.
 - . Return on investment (ROI) for agricultural R&D is impressive, being in the range of 5 to 10:1 and often higher. Agricultural R&D has driven annual productivity growth of 2-4% in many agricultural sectors, with corresponding rural community benefits. However, adoption of R&D outcomes needs ongoing attention and could be accelerated.
 - . On R&D models, the Review identified increasing interest in consolidation of research effort into research institutes with collaboration on shared resources and creation of clusters of expertise. The Review suggested an emerging question was how extension and adoption might be effectively delivered in the future since public resourcing of the traditional “extension officer” has been declining in some jurisdictions.

4. The Review concluded six key messages need to be recognised and addressed:
 - . The broad mission of agriculture, with its far-reaching economic, environmental and social benefits across the whole-of-system, needs to be better recognised and considered in future agricultural R&D directions, expenditure levels and measures of impact.
 - . There is a lack of a clear and consistent national strategic agenda for Australian agricultural R&D.
 - . PISC needs to provide a leadership role in pursuing such an agenda with industry bodies such as the R&D Corporations to deliver leading science solutions to address barriers to change.

- . While R&D directions are determined by complex negotiations between research providers and users, there is a tendency for poor alignment of investment with R&D demand-driven priorities – a higher level of demand pull could be applied to driving R&D proposals. There is also a relatively poor level of collaboration.
 - . Lack of an established national research agenda and rapid changes in operating environments, have created a lack of consistency and clarity of agency responsibilities and reduced understanding between investors and providers of research.
 - . Perceived serious declines in human capital for agricultural R&D.
5. The R&D Sub-committee recognised that while the Review was done over a short timeframe, its conclusions identify a number of important issues for consideration and that Standing Committee (and Council) need to move quickly to provide leadership in developing a strategic vision for future directions for Australia's agricultural R&D.
 6. To support this, the R&D Sub-committee established a small team from across jurisdictions which is considering capacities and capabilities to support future directions for Australia's agricultural R&D. These directions would cover issues raised in the Review of Agricultural Research and Development, particularly proposals for national strategies for:
 - (a) reinforcing a shift to a broad whole-of-chain focus, including links to NRM;
 - (b) increasing incentive for collaborative and coordinated approaches to agricultural R&D; and
 - (c) improving research adoption and extension.
 7. A paper is being developed for consideration by Standing Committee and Council at their meetings in March and April 2005 respectively.

RESOLUTIONS

8. Council:
 - (a) **NOTED** the Review of Agricultural Research and Development commissioned by the Research and Development Sub-committee;
 - (b) **NOTED** that Standing Committee has agreed to establish a small cross-jurisdictional team to prepare a paper for the next meetings of Standing Committee and Council on future directions for Australia's agricultural R&D;
 - (c) **NOTED** that the national R&D strategy will require further consultation with R&D Corporations and agencies prior to fully addressing its terms of reference and reporting; and
 - (d) **NOTED** that the PISC R&D Task Force proposes to convene a workshop in February 2005 to consider next steps in the development of a more strategic national approach to agricultural R&D.

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	LOCATION: MELBOURNE
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RESOLUTION	No: 7.9

BOVINE SPONGIFORM ENCEPHALOPATHY (BSE)

1. Provided below are key developments and an update on high priority BSE recommendations PIMC 5 (May 2004) agreed should be progressed by industry, the Transmissible Spongiform Encephalopathy Freedom Assurance Program (TSEFAP), the Australian Government, States and Territories.
2. On 29 December 2003, US authorities reported a positive confirmatory test for BSE on an imported Canadian cow in Washington State. There are now 20 European countries that have had indigenous BSE cases, plus Japan, Israel and Canada, and the case in the US in a Canadian cow. A report from an international scientific team that reviewed the US response, critically evaluated the US investigation of the incident and recommended some additional measures to protect animal and public health.
3. The US has strengthened BSE surveillance and announced intentions to enhance cattle identification. The US Food and Drug Administration (FDA) has issued an Interim Final Rule for specified risk material (SRM) removal that complements the equivalent US Food Safety and Inspection Service (FSIS) rule implemented in January. An Advanced Notice of Proposed Rule Making (ANPRM) to further tighten the ruminant feed ban was released for comment on 9 July.
4. Following the reports of detection of BSE cases by Canadian and US authorities, the Special Expert Committee on Transmissible Spongiform Encephalopathies (SECTSE) has taken a close interest in the adequacy of current BSE preventative measures and BSE surveillance approaches for Australia's national cattle herd.
5. At the request of PISC 6 (March 2004), Animal Health Australia/SAFEMEAT convened a BSE workshop to recommend strategies for BSE related matters in light of the changing overseas situation. Recommendations arising from the workshop were endorsed by PIMC 5 (May 2004).
6. EFSA is a new independent food safety agency established in 2002, becoming operational in 2003 when GBR questionnaires were issued to certain countries in December of that year. Responsibility for GBR assessments has now been transferred from the European Commission to that Agency. EFSA released its first round of re-assessments of seven existing GBR level I and II countries, including Australia, on 20 August, and is thought to be on track to complete re-assessments of another six GBR I countries by the end of 2004. Australia retained its GBR Level I rating.

North America

7. No more BSE cases have been detected in North America to date. The US enhanced surveillance program, which aims to test at least 200,000 dead or downer cattle over 12 to 18 months, was implemented from 1 June. As of 1 November, approximately 100,000 cattle had tested negative.
8. The US FDA has released an Interim Final Rule which applies BSE-related measures from 14 July to domestically produced and imported foods/cosmetics regulated by FDA. It was foreshadowed in early 2004 that FDA measures would be brought into line with FSIS requirements.
9. The US has also released an ANPRM, that has been under development since early 2004, inviting comment on various matters, including:
 - . a wide range of possible measures to strengthen animal feeding restrictions administered by FDA;
 - . FSIS recognising equivalency for 'BSE-free' countries; and
 - . livestock traceability systems to underpin disease/contamination emergency responses.
10. Options contained in the ANPRM include SRM removal from all animal feeds (including pet food), bans on using downer animals in the manufacture of all stock feed, bans on the use of all mammalian and poultry materials in ruminant stock feeds, and segregation of ruminant and non-ruminant feed lines/feed mills.
11. The ANPRM also seeks comments on establishing a mechanism for FSIS to recognise equivalency of BSE-risk reduction measures for 'BSE-free' countries. This is a matter of key importance to Australia, and one for which specific comments have been provided in regard to the 12 January FSIS Interim Final Rule which imposed BSE-related measures on offshore abattoirs which supply beef to the US market. DAFF submitted Australian comments on the equivalency aspects of these rules, in close consultation with SAFEMEAT.
12. Canada has announced measures to remove SRMs from all animal feed (including pet food), which is consistent with an option contained in the ANPRM. Canada is also understood to be considering other measures, including a ban on the processing of all dead and downer cattle for all animal feed. It is understood that Canada intends to release supporting legislation by the end of 2004. To date, Canada has not applied any additional BSE-related restrictions to Australian beef exports to that market.
13. On 23 October 2004, the US and Japan announced a framework agreement for resumption of bilateral trade in beef. Both countries have agreed to expedite domestic approval and regulatory procedures. In the case of Japan, this includes further consideration of proposed measures by the Food Safety Commission and a commitment by the Japanese Government to further public consultation. In the US, this includes commencement of a rule making process to enable a resumption of Japanese beef imports, which we assume would be subject to similar conditions for US beef exports to Japan. No deadline has been set for the resumption of trade, but it appears increasingly likely that no trade will commence before the northern spring.

OIE

14. The OIE is currently dealing with four major BSE related issues. These are the OIE Code Chapter on BSE, the Code Chapter Annex on BSE surveillance, country categorisation, and development of a new country categorisation system. At its May meeting, the OIE passed minor amendments to the Code which have no practical implications for Australia. The surveillance annex is being revised before the OIE's next meeting in May 2005. Also before May 2005, the OIE will progress a rationalisation of its BSE country categorisation system from a 5 to, what is likely to be, a 3 tier system.
15. A number of countries (Iceland, Singapore, Uruguay and Argentina) were granted 'provisionally free' BSE status by the OIE. An Australian government/industry decision had been taken last year to only apply for 'free' BSE status. Australia may qualify for 'free' status in 2005.

BSE Priority Actions

16. Following PIMC 5 endorsement of recommendations arising from the Animal Health Australia/SAFEMEAT BSE workshop, the high priority recommendations have been progressed by the relevant bodies.

EFSA GBR Re-assessment of Australia and New Zealand Assessment

17. The final report concludes that "the current GBR level of Australia is I i.e., it is highly unlikely that domestic cattle are (clinically or pre-clinically) infected with the BSE-agent.
18. SAFEMEAT considered this and other BSE developments at its meeting on 25 August and agreed to a number of recommendations.
19. In late October, NZFSA finalised a BSE assessment of Australia as Category 1: Country or region free of indigenous BSE.

RESOLUTIONS

20. Council:
 - (a) **NOTED** that the Australian Government and the State and Territory governments are meeting their commitments in respect of the National BSE Prevention Program;
 - (b) **NOTED** recent international developments relating to BSE;
 - (c) **NOTED** updated actions being undertaken by governments and industry;
 - (d) **NOTED** the favourable outcomes of the European Food Safety Authority (EFSA) and the New Zealand Food Safety Authority (NZFSA) assessments of Australia's BSE risk;
 - (e) **NOTED** that jurisdictions and AQIS have conducted an audit of compliance with their obligations under Australia's ruminant feed ban;

- (f) **AGREED** that these government parties are satisfactorily meeting their obligations under Australia's ruminant feed ban;
- (g) **AGREED** with SAFEMEAT resolutions:
 - (i) "in light of the EFSA recommendations on the ruminant feed ban, **ENDORSED** the need for additional ruminant feed testing to be undertaken by States and Territories as a verification tool to assist the audit process" subject to test specifications, testing levels, costs and funding arrangements being clarified; and
 - (ii) "**REQUESTED** Transmissible Spongiform Encephalopathy Freedom Assurance Program (TSEFAP) to expedite the implementation of additional ruminant feed testing";
- (h) **AGREED** that the operation of Australia's ruminant feed ban be subject to ongoing review by Animal Health Committee (AHC) and TSEFAP, particularly in light of the audit findings and relevant international developments; and
- (i) **AGREED** that cattle that have been placed under lifetime quarantine because they originated from countries that have reported BSE should be monitored six monthly via efficient means, be identified by approved NLIS devices and owners should again be informed of their obligation to contact authorities immediately upon the death of an animal and that the issue should be managed by TSEFAP.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.10

PORCINE MYOCARDITIS

1. In June 2003, NSW Department of Primary Industries investigated an outbreak of an apparently new infectious disease in two piggeries in New South Wales owned by one company and operated as part of a large vertically integrated pig enterprise. The disease, now known as porcine myocarditis (PMC), resulted in an increase in stillbirths (normally 4–6%, increasing to 35% or more), mummification, and pre-weaning mortality (normally 7–11%, increasing to 35% or more) – contributing to major economic loss.
2. On 31 March 2004, the Australian Pork Limited Board approved Project 2001 *Studies of a novel agent causing stillbirths and preweaning deaths in pigs due to myocarditis*. This collaborative project, over three-and-a-half years, will cost more than \$1 million and includes laboratory costs, staff costs, and funding support for a PhD student.
3. The specific objectives of this project are to:
 - (a) demonstrate that PMC is caused by an infectious agent and to reproduce the disease experimentally;
 - (b) identify and characterise the aetiological agent;
 - (c) develop appropriate diagnostic tests;
 - (d) understand how the agent induces disease and to investigate the biology of PMC infection; and
 - (e) to determine the distribution of this agent in the Australian pig population.
4. The failure to confirm the cause of PMC after more than 12 months, despite intensive investigation remains a concern to all involved. Investigations have included a wide range of veterinary experts. Limitations on discussions with colleagues overseas because of potential trade implications were noted by some researchers as reducing their potential avenues of investigation.
5. The review noted that as a better understanding of PMC was developed, the type of specimens collected had been refined. The review group members also agreed to seek the assistance of visiting analytical epidemiologist, the Australian expatriate, Dr Ian Gardner, to review all available datasets on PMC.
6. An Animal Health Committee working group will be established to develop procedures for ‘triggers’ during the investigation of emerging animal diseases. The identification and development of these procedures will ensure that a rapid and thorough disease investigation can occur during the peak of an epidemic, with the widest range of skills made available as soon as possible and an early recognition that the financial burden will be spread across all beneficiaries

7. Freedom from clinical disease will not in itself prove freedom from the causative agent or a lack of potential infectivity to other susceptible pigs. To protect the rest of the Australian pig industry, it is essential that there is no infective agent remaining in the piggeries affected before they can be released from quarantine. The concept of the possible use of sentinel pigs in the future to assess the status of individual units was supported at both the review meeting and at Animal Health Committee.

RESOLUTIONS

8. Council:
 - (a) **NOTED** the progress of investigations into an apparently new infectious disease of pigs;
 - (b) **AGREED** that every effort must continue to be made by jurisdictions including relevant health authorities, as well as the Elizabeth Macarthur Agricultural Institute and the Australian Animal Health Laboratory to clarify the cause(s) of Porcine Myocarditis;
 - (c) **AGREED** that Animal Health Committee prepare a draft protocol for the management of incidents where new and/or emergency diseases are suspected;
and
 - (d) **AGREED** that Primary Industries Health Committee report on developments at the next meeting of Standing Committee.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.11

NATIONAL EMERGENCY ANIMAL DISEASE (EAD) BUSINESS PLAN

1. PIMC 5 (May 2004) agreed to the development of a structured national business plan for Foot and Mouth Disease (FMD), Bovine Spongiform Encephalopathy (BSE) and EAD preparedness with the Australian Chief Veterinary Officer (ACVO) as coordinator and designated key drivers for each section.
2. This Plan follows acceptance by Standing Committee of the FMD/BSE Implementation Plan for issues arising from the February 2003 FMD/BSE Policy Forum. It also fulfils one part of the expected scope of the Primary Industries Standing Committee (PISC) National Biosecurity Strategy.
3. This version of the Plan builds on the above and other forums and workshops and incorporates related policy issues and actions, in particular, the 30 recommendations on BSE contained in the Report on International Developments to PIMC 5.
4. The National EAD Business Plan is presented as:
 - (a) Introduction – brief background to FMD/BSE preparedness;
 - (b) Summary Diagrams that identify work in progress with an indication of agreed timelines (arrows that do not reach the timeline indicate ‘on-going’ actions or those without a proposed finishing date); and
 - (c) Action Descriptions, where each issue has been described in a one page summary of the issue, its source, status, responsibility and priority. (currently a total of 99 actions are grouped into 15 sections to provide a framework for assigning responsibilities and managing resultant workloads).
5. The National EAD Business Plan consolidates recommendations and actions arising from recent reports and is proposed for use as a practical *management plan* to facilitate executive review of agreed actions. It does not provide background or history of specific emergency animal disease preparedness activities, as this is available elsewhere.
6. Since presentation of the first report substantial progress has been achieved. Of the original 102 action items listed in version 1 of this Plan, 22 have been completed. In addition, there are a significant number of items on track to be finalised in the immediate future.
7. The addition of new action items arising from the report to PIMC relating to International Developments in BSE is significant. There are now 25 items in that section with 12 identified as high priority. (one of these, BSE 17, has been completed). In addition, the importance of reaching a successful conclusion to the National Livestock Identification System (NLIS) has been emphasised within the NLIS section.

8. Ongoing management responsibility for the EAD Business Plan needs to be determined to ensure that the plan continues to be implemented and updated in a timely fashion. Animal Health Australia is considered to be the appropriate agency.

RESOLUTIONS

9. Council:
 - (a) **NOTED** the progress in addressing agreed actions contained in the National Emergency Animal Disease (EAD) Business Plan;
 - (b) **NOTED** the revised EAD Business Plan as requested by PISC 6 (March 2004); and
 - (c) **ENDORSED** that Animal Health Australia assume responsibility for the ongoing management and monitoring of the plan for six monthly reporting to PISC through the Primary Industries Health Committee.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.12

NATIONAL EMERGENCY PREPAREDNESS INITIATIVES

1. Following Exercise Minotaur a substantial body of work was initiated to improve Australia's ability to respond to a major disease emergency. The following covers three activities: the long term future of the Rapid Response Team (RRT); identification of a national communications model for emergency responses; and commencement of new preparedness project aimed at better integrating national preparedness arrangements across animal, plant and aquatic animal health sectors.

RRT

2. During 2003-04 all jurisdictions (except the ACT), and AHA cooperated in the development and trial of the RRT. The aim of the RRT concept is to provide rapid assistance to (generally) smaller jurisdictions in the establishment of a fully effective State Diseases Control Headquarters (SDCHQ) and Local Disease Control Centres (LDCC). The RRT provides key management positions only with the bulk of personnel still provided by recipient jurisdictions. An evaluation of the trial was held through consultation with a full range of stakeholders as well as other interested parties such as Plant Health Australia (PHA) and Aquatic Animal Health Committee. The evaluation clearly indicated that the RRT had proved itself to be a worthwhile concept that should be continued as a positive augmentation of national preparedness.
3. Management of RRT preparedness activities will be by Animal Health Australia (AHA) through integration with broader emergency animal disease (EAD) preparedness programs. If deployment is required, the Department of Agriculture, Fisheries and Forestry (DAFF) will coordinate activation of the RRT under the guidance of the Consultative Committee on Emergency Animal Diseases and the National Management Group.
4. The success of the RRT is reliant on an ongoing commitment by all jurisdictions to the release of staff to participate in the RRT, both in peacetime and during a real event. The RRT's development was funded through an investment of \$350,000 by DAFF and a cash investment by Tasmania and the Northern Territory, as well as a significant non-cash investment by all jurisdictions and AHA.
5. A significant benefit of the RRT trial was the interaction of response personnel during the practical application of AUSVETPLAN and related documentation. Throughout the training and exercises, RRT members and facilitation staff indicated frustration at the lack of nationally consistent operational procedures to support AUSVETPLAN policies. There was recognition of the better resource outcomes that could be achieved (both in peacetime and in war) if these procedures were to be coordinated and developed through national cooperation. The evaluation report recommended that an Animal Health Committee sub committee be established to perform this coordination function.

Communications

6. Standing Committee was provided with information about the work completed since Exercise Minotaur to improve public communications arrangements for agricultural emergencies. A communications network consisting of all jurisdictions, AHA and PHA is the centrepiece of these new arrangements.
8. A significant risk in responding to a major exotic disease outbreak, such as foot and mouth disease (FMD), is in mounting an inadequate communication effort. An otherwise successful animal disease response could be undermined because of heightened public and media concerns. A successful communication outcome to an FMD outbreak in Australia will require substantial dedicated resources coordinated through a national approach.
9. Modeling suggests at least 50 people will be required daily for the communication effort at the National Disease Coordination Centre in Canberra, 20 at a State Disease Control Headquarter and, depending on the jurisdiction, between three and nine at a Local Disease Control Centre.
10. Roles and responsibilities for NDCC, SDCHQ and LDCC communication staff will be directed towards distinct target audiences through public relations, web, media, community and industry liaison, call centre, advertising, and support activities within an agreed strategy devised by the National Communication Network. These arrangements reflect the principles laid out in the national FMD framework and are being captured in the AUSVETPLAN Crisis Communication manual currently being updated.
11. There is an implicit requirement that each jurisdiction will develop a communication model that is capable of supporting the national framework. Modeling completed to date provides an indication of the likely personnel requirements.

Securing the future – preparedness project

12. In the 2004-05 Federal Budget, the Australian Government announced a major package “Securing the future – protecting our industries from biological, chemical and physical risk”. A component of this package will seek to achieve best use of available resources in government (in all jurisdictions) through the development of an ‘all hazards’, ‘all agencies’ and ‘comprehensive’ approach to agricultural pest and disease emergencies. This paper flags the commencement of planning for this project and emphasises the importance of participation by all jurisdictions, PHA, AHA, Fisheries Research and Development Corporation and industry to ensure its success.
13. The aim of the project is to achieve best use of available national emergency preparedness resources through the development of an ‘all hazards’, ‘all agencies’ and ‘comprehensive’ approach to preparedness for responses to agricultural pest and disease emergencies:
14. The expected outputs include:
 - (a) an evaluation of the potential for harmonisation of National Agricultural Emergency Pest and Disease (AEPD) Preparedness Capacity to be researched and produced by a consultant;
 - (b) a harmonisation strategy for AEPD preparedness in all jurisdictions and industries from all agricultural sectors to reduce duplication and maximise available resources; and
 - (c) promotion of joint and ongoing funding by all governments and industry for this harmonised approach to preparedness.

RESOLUTIONS

15. Council:

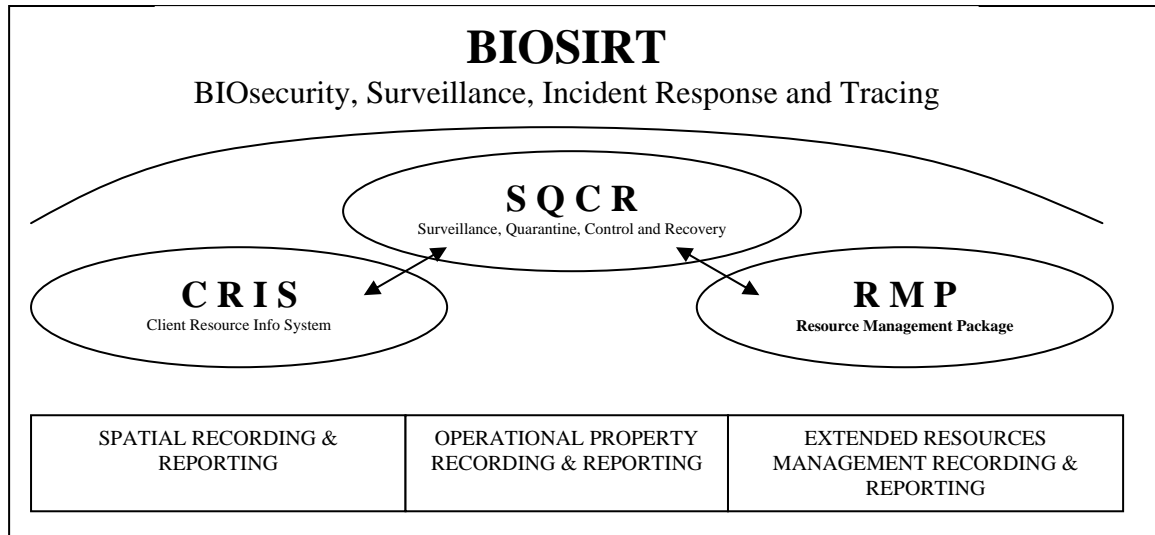
- (a) **AGREED** to the continuation of the Rapid Response Team (RRT) concept as an integral component of the national EAD preparedness programs as outlined in the Protocol document;
- (b) **AGREED** that jurisdictions would release staff for development, exercising, hosting and response activities of the RRT;
- (c) **ENDORSED** the RRT being managed in 'peacetime' by Animal Health Australia (AHA) and in 'wartime' by DAFF and **NOTED** the need for close cooperation between AHA and DAFF if the RRT is to achieve optimal effectiveness;
- (d) **AGREED** to RRT activities being funded through contributions to AHA on the basis of the jurisdictions cost sharing one-half Australian Government and one-half States and Territories with the latter contributions being cost shared using the current AHA subscription funding formula of shares being based on gross value of production (to be reviewed within 12 months which will include assessment of industry involvement in the funding model);
- (e) **ENDORSED** AHA exploring with Plant Health Australia and Aquatic Animal Health Committee how the resources of the RRT for emergency animal disease responses can be shared with the plant and aquatic animal industries;
- (f) **AGREED** to the formation of a committee under the auspices of Animal Health Committee that will meet and consider operational procedures and systems with a view to having those procedures used by jurisdictions in Local Disease Control Centres (LDCC) and State Disease Control Headquarters (SDCHQ) operations;
- (g) **AGREED** to the implementation of the public communications; and
- (h) **NOTED** the commencement of the national agricultural emergency pests and diseases harmonisation project.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.13

**NATIONAL INFORMATION MANAGEMENT CAPABILITY FOR SURVEILLANCE,
QUARANTINE, CONTROL AND RECOVERY**

1. The National Information Managers Technical Group (NIMTG) has been working to resolve key issues previously raised by PIHC and PISC surrounding the need to implement a better information management application in support of biosecurity, emergency incidents, routine surveillance and market access.
2. NIMTG completed an extensive process to determine a preferred methodology to progress the above need across the animal, plant and pest incursion sectors. In developing this proposal NIMTG has considered:
 - (a) The November 2003 report to PISC from the working group, chaired by Peter Bailey, "Principles for Developing Capability - National Animal Health Information Management Capability".
 - (b) Recommendations of Exercise Minotaur.
 - (c) The existing Animal Emergency Management Information System (ANEMIS) specifications.
 - (d) The requirements of the proposed Emergency Animal Disease (EAD) management systems (MAGIC).
 - (e) Input from workshops across Qld, NSW, Vic, SA and WA run by NIMTG appointed consultants (Tasmania attended Victoria, NT invited to WA).
3. In 2001 it was considered that the existing EAD system ANEMIS should be upgraded and a new specification was developed (MAGIC). It was not progressed following preliminary costing done by AHA. In 2002, an Enhanced Animal Health Information Specification Management Capability was developed by MI Services for Animal Health Australia, proposing a \$4.7M (ex GST) solution. This was designed to integrate data at the national level, and incorrectly assumed that state systems were in place. Neither system offered the high level of functionality or degree of national consistency being included in this NIMTG proposal.
4. NIMTG proposed that a complete and integrated solution for BIOsecurity, Surveillance, Incident Response and Tracing (BIOSIRT) be adopted through a combination of acquisition and development at the State and Australian Government levels with BIOSIRT consisting of three key components:
 - (a) SQCR – Surveillance, Quarantine, Control and Recovery component, which manages and records regulatory-based activities on properties and is especially focused on regulatory activity surrounding emergency incident management;
 - (b) CRIS – Client and Resource Information System component, which delivers spatial and mapping capacity and manages people and their association with land. While SQCR has the capacity to store textually details of people and land, CRIS brings the capacity for mapping, spatial analysis and other spatial tasks; and

- (c) RMP – Resource Management Package component, which manages detailed activities of teams, OH&S, consumables, equipment, contractors, accommodation etc associated with surveillance and response activities. While SQCR identifies properties to be dealt with and can record subsequent actions, RMP has much higher capacity which is required for detailed resource management in events involving hundreds, possibly, thousands of people.



5. Development of this model to be progressed in the following manner:
- (a) that the NIMTG progress the development of the independent SQCR in line with the SQCR Requirements document and the SQCR Functional Design, which have been agreed to by NIMTG members;
 - (b) that the States continue to develop their CRIS components and infrastructure independently and at their own cost but in line with the nationally agreed direction established by NIMTG; and
 - (c) that the RMP Expert Panel (as previously endorsed by PIHC) continue its work evaluating existing commercial packages, in conjunction with the NIMTG, and make a recommendation on the acquisition of an RMP as a national standard for use by all States, where there is no conflict with current State policy.
6. On completion of the independent SQCR and to gain the full functionality of a BIOSIRT, States should either:
- (a) Adopt it as their emergency management software application for local Control centre operations and include integration to a Resource Management Package (whether this is the nationally proposed application or a State application) and to their local CRIS; or
 - (b) Centralise an integrated SQCR, CRIS and RMP (BIOSIRT) into their day to day information management environment (or in some States, its associated data model and business rules). (In the event that this infrastructure could not be made available to a remote incident then the independent version outlined in (a) would be used).

RESOLUTIONS

7. Council:

- (a) **AGREED** that the National Information Manager's Technical Group (NIMTG) progress the development of the independent Surveillance, Quarantine, Control and Recovery system (SQCR) in line with the SQCR Requirements document and the SQCR Functional Design which have been agreed to by NIMTG members;
- (b) **AGREED** that the States continue to develop their Client and Resource Information System (CRIS) components and infrastructure independently of NIMTG and at their own cost but in line with the nationally agreed direction established by NIMTG;
- (c) **AGREED** that the Resource Management Package (RMP) Expert Panel (as previously endorsed by Primary Industries Health Committee) continue its work evaluating existing commercial packages, in conjunction with the NIMTG, and make a recommendation on the acquisition of an RMP as a national standard for use by all States, where there is no conflict with current State policy;
- (d) **AGREED** to fund the development (including project management) of SQCR, (noting that the costs reflect a split between emergency and routine costs and that SA and the Australian Government are not contributing to the routine costs) with the following member contributions:

	%	\$
Australian Government (DAFF)	42.65	290,000
New South Wales	19.84	134,936
Victoria	14.57	99,108
Queensland	10.81	73,517
Western Australia	5.75	39,085
South Australia	3.39	23,018
Tasmania	1.44	9,771
Australian Capital Territory	0.78	5,283
Northern Territory	0.78	5,283
TOTAL	100.00	680,000

Note: The above estimates may vary up to a maximum of 20%.

- (e) **NOTED** that the successful integration of SQCR and RMP into the CRIS of each State will be an important component in strengthening the objectives of national consistency and adequate reporting capability;
- (f) **ENDORSED** the need for jurisdictions to work together in the area of integration (where possible) to minimise the associated cost burden on the smaller jurisdictions in support of recommendation (e);
- (g) in the event of an agreed outcome for RMP selection (1c), **AGREED** to fund an RMP package for integration into SQCR with the following member contributions:

	RMP %	RMP Cost \$	Field Ready %	Field Ready Cost	Training %	Training Cost \$
Australian. Government	57.10	225,537	50.00	18,000	50.00	60,000
New South Wales	19.33	76,346	16.93	6,093	16.93	20,310
Victoria	-	-	12.43	4,475	12.43	14,918
Queensland	10.53	41,595	9.22	3,320	9.22	11,066
Western Australia	5.60	22,114	4.90	1,765	4.90	5,883
South Australia	4.53	17,902	3.97	1,429	3.97	4,762
Tasmania	1.40	5,528	1.23	441	1.23	1,471
Aust. Capital Territory	0.75	2,989	0.66	238	0.66	795
Northern Territory	0.75	2,989	0.66	238	0.66	795
TOTAL	100.00	395,000	100.00	36,000	100.00	120,000

Note: The above estimates may vary up to a maximum of 20%.

- (h) **AGREED** that Standing Committee agreement be sought to any variation on these costs over 20%;
- (i) **NOTED** that a 'Field ready' server capacity for immediate Incidence response will enhance both the response capability of each jurisdiction and overall national capability; and
- (j) **NOTED** that training on a complete and integrated solution for BIOsecurity, Surveillance, Incident Response and Tracing (BIOSIRT) will need to be supported by States/Territories to ensure a motivated and skilled support group.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.14

**EXPORT OF LIVESTOCK – AUSTRALIAN CODE FOR THE EXPORT OF
LIVESTOCK AND DEVELOPMENT OF LIVESTOCK EXPORT CHAIN
STANDARDS**

1. PIMC 5 (May 2004), noted progress and endorsed-in-principle the draft Interim Australian Code for the Export of Livestock as a sound basis for the development of livestock export chain standards and finalisation of the Code.
2. DAFF is managing the finalisation of the Australian Code and development of ‘initial’ Australian Standards for the Export of Livestock to meet the 31 December 2004 Keniry deadline.
3. On 29 June 2004, Federal Parliament passed the *Agriculture, Fisheries and Forestry Legislation Amendment (Export Control) Act 2004* (AFFLA (EC) Act) which established the framework for a more robust regulatory regime for the live export trade to be put in to place from 1 December 2004. The AFFLA(EC) Act amended the *Australian Meat and Livestock Industry Act 1997* and the *Export Control Act 1982* to implement recommended changes by the Keniry Review in respect of:
 - Licensing of exporters, AQIS will now have sole responsibility for licensing;
 - Prescribed species (sheep, cattle, goats, deer, buffalo, camelids);
 - New requirements for accreditation of veterinarians for the purposes of approved export programs;
 - Reference to the Australian Standards for the Export of Livestock and the Australian Code for Export of Livestock; and
 - Reporting of mortalities on sea voyages to Parliament.
4. The draft Interim Australian Code for the Export of Livestock outlined guiding principles for the future operation of the export trade, clear accountabilities and responsibilities for key participants and expected outcomes at each part of the chain. The Code will be finalised by 31 December 2004 in conjunction with the Standards.
5. In phase two of the project, DAFF established a Livestock Export Standards Advisory Committee (LESAC), commissioned until 31 December 2004, to provide advice to the Department on finalisation of the Interim Australian Code and ‘initial’ Standards. DAFF will also seek LESAC’s advice on future arrangements for the further development and revision of the Code and Standards.
6. The ‘initial’ Australian Standards for the Export of Livestock covers six major steps of the export chain:
 - (a) sourcing and on-farm preparation of live-stock (export by sea transport);
 - (b) land transport of live-stock;
 - (c) management of live-stock in registered premises;

- (d) vessel preparation and loading;
 - (e) on-board management of live-stock; and
 - (f) air transport of live-stock (includes sourcing and on-farm preparation of livestock for export by air transport).
7. The Australian Standards for the Export of Livestock will be used by exporters to develop an operations and governance manual to demonstrate that their operating systems can meet the Standards, as part of the new requirements for an export licence. In addition, operators of premises registered for preparing, holding or assembling livestock prior to export will, from 1 December, be required to submit an operations manual with their application for registration to ensure that the premises address the Standards. Other participants in the livestock export chain should integrate the Standards into their quality assurance systems.
8. The Office of Regulation and Review (ORR) has been consulted in the development of underpinning of the interim Code in Australian Government legislation, as part of implementing the Australian Government response to the Keniry Review. A Regulatory Impact Statement was prepared as part of the Australian Government consideration of the Keniry Review.

DISCUSSION

9. Council noted that the Standard will be reviewed by industry and government over the next month and will include discussion of a number of amendments proposed by the States. If agreed, the Standard will be amended and presented to PIMC for endorsement in April 2005.

RESOLUTIONS

10. Council:
- (a) **NOTED** the inclusive process implemented by the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) to engage stakeholders and experts in the finalisation of the Australian Code for the Export of Livestock and the development of 'initial' Australian Standards for the Export of Livestock for cattle, sheep, goats, camelids, buffalo and deer;
 - (b) **NOTED** that 'initial' Standards for the Export of Livestock have been circulated to key stakeholders and made available for public comment on the DAFF website for a thirty (30) day period which concludes on 26 November 2004;
 - (c) **NOTED** the 'initial' Australian Standards for the Export of Livestock will take effect from 1 December 2004;
 - (d) **NOTED** the 'initial' Australian Standards for the Export of Livestock will not alter the existing legislative responsibilities of States and Territories on animal health and welfare within their respective jurisdiction;
 - (e) **NOTED** that DAFF will finalise stakeholder and public comments on advice from the Livestock Export Standards Advisory Committee (LESAC) by 31 December 2004 and progress *version 1* Australian Standards for the Export of Livestock through Standing Committee for endorsement by Council in April 2005; and

- (f) **NOTED** that DAFF will seek advice prior to 31 December 2004 from the LESAC on future arrangements for revision and the further development of the Australian Code for the Export of Livestock and 'initial' Australian Standards for the Export of Livestock.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.15

THE PETA CAMPAIGN AGAINST THE AUSTRALIAN SHEEP INDUSTRY

1. Council was informed that People for the Ethical Treatment of Animals (PETA) had targeted the Australian sheep export and has called on the Australian Government to ban mulesing and the live trade by October 2004. PETA is opposed to all forms of wool production (including wool, mohair, pashmina, shahtoosh, or cashmere). PETA is particularly averse to the need for and process of shearing and the stress it causes animals.
2. As part of its campaign, PETA has targeted 20 global retailers, threatening those using Australian wool products with an intense campaign against their business. On 14 October 2004, 'Abercrombie & Fitch', a well-known USA retailer, issued a statement that it will no longer use Australian wool, following pressure from PETA to ban the sale of wool products because of the cruel treatment of Australian sheep (particularly mulesing and the live sheep trade). 'Abercrombie & Fitch' sold very little if any product which contained Australian wool.
3. On 8 November 2004, the Australian wool industry announced that it has agreed to phase out the current practice of mulesing by 2010. (PETA subsequently indicated that it would continue to seek an immediate end to the practice.)
4. The Australian Government is jointly funding research and supporting industry moves to end the practice. In the meantime, industry has been encouraged to reduce the need for mulesing by adopting an integrated approach to managing the risk of blow fly strike.
5. The Australian Animal Welfare Strategy, endorsed in principle by PIMC 5 (May 2004), is based on the principle that good health is an essential component of good animal welfare and that disease should be prevented and controlled. Such diseases include those caused by insect pests such as the blow fly.
6. Mulesing is a sheep husbandry practice that is used as part of an integrated control strategy to prevent painful deaths due to blow fly strike. Such strategies also include meteorological monitoring of conditions favourable to blowfly strike, strategic timing of shearing, the removal of wool from around the breech of sheep (crutching) and the responsible strategic use of effective insecticides.
7. Although mulesing is permitted in the Australian *Model Code of Practice for Welfare of Animals – The Sheep*, there is no uniform national standard. In addition, there has not been uniform uptake of the AWI-sponsored accreditation program for mulesing practitioners.

8. In October 2004, the Animal Health Committee (AHC) of Primary Industries Standing Committee noted that there is an urgent need to standardise the approach for mulesing across the State and Territory jurisdictions. AHC has asked its Animal Welfare Working Group to urgently review the Australian *Model Code of Practice for Welfare of Animals – The Sheep*, in respect of the Mules procedure to reflect current knowledge and to take account of current community concerns.
9. Following agreement to the revised guideline, each jurisdiction will need to ensure its approach to mulesing is consistent with the revised national guideline.
10. Industry has been leading the response to PETA's campaign and has developed agreed crisis management arrangements, a communication strategy with nominated key industry spokespersons and an information package for overseas retailers. The Australian Government has been supporting industry and has provided a statement of support at Annex A.
11. On 9 November 2004, AWI commenced Federal Court of Australia proceedings seeking orders restraining PETA from threatening clothing retailers. AWI have also sought orders requiring PETA to publish, at their expense, corrective advertising to rectify any damage to the Australian wool industry that may have arisen as a result of such conduct.
12. The basis for AWI's legal proceedings commenced against PETA is that PETA threatened retailers of Australian wool apparel products with a boycott of their stores (by pickets, store invasions and a very negative advertising campaign). Such threats amount to secondary boycotts and a contravention of Section 45 D and 45 DB of the Trade Practices Act.

RESOLUTIONS

13. Council:
 - (a) **NOTED** the action of PETA in targeting users of Australian wool products and in calling on the Australian Government to ban mulesing and the live trade;
 - (b) **NOTED** that the Australian wool industry has developed a communication strategy with nominated key industry spokespersons and an information package for overseas retailers and the Australian Government has issued a statement of support as part of that package (Annex A);
 - (c) **NOTED** the Australian wool industry has announced that it will phase out mulesing by 2010;
 - (d) **NOTED** the Animal Welfare Working Group of Primary Industries Standing Committee is urgently reviewing the Mulesing guidelines in the *Model Code of Practice for the Welfare of Animals – the Sheep*, and that the full Code will also be reviewed in 2005 in respect of other husbandry practices;
 - (e) **ENDORSED** the need, following the review of the mulesing guidelines, for each jurisdiction to ensure its approach to mulesing is consistent with the revised guidelines; and

- (f) **NOTED** that Australian Wool Innovation Limited (AWI) has commenced proceedings under the Trade Practices Act seeking orders restraining PETA from threatening clothing retailers.

ANNEX A: Supporting Statement from the Australian Government in respect of the PETA Campaign against the Australian Wool Industry

SUPPORTING STATEMENT FROM THE AUSTRALIAN GOVERNMENT IN RESPECT OF THE PETA CAMPAIGN AGAINST THE AUSTRALIAN WOOL INDUSTRY

Australia is the second largest sheep meat producing country in the world, after China, and also produces almost 50% of the wool used in the global apparel market. Sheep remain one of Australia's most important rural industries contributing \$7 billion to the nation's economy.

The Australian Government shares the desire of all other Australians to ensure the highest standards of livestock welfare and continues to work with the livestock industries to achieve sustainable animal health and welfare outcomes in the livestock production sector. The Australian Animal Welfare Strategy, endorsed in May 2004 (www.daff.gov.au/news), is based on the principal that good health is an essential component of good animal welfare and that diseases should be prevented and controlled. Diseases include those caused by insect pests such as the sheep blow fly.

Mulesing is a sheep husbandry practice that is used as part of an integrated control strategy to prevent painful deaths due to blow fly strike. Such strategies also include meteorological monitoring of conditions favourable to blowfly strike, strategic timing of shearing, the removal of wool from around the breech of sheep (crutching) and the responsible strategic use of effective insecticides. The industry is committed to phasing out the Mules procedure by 2010 and the Government is jointly funding research and supporting industry moves for this to occur. In the meantime, Industry is encouraged to reduce the need for mulesing by adopting an integrated approach to managing the risk of blow fly strike.

Australia has a Model Code of Practice for the Welfare of Sheep, developed in conjunction with industry bodies, animal welfare, veterinary and other organisations that set standards for the Mules procedure. Australia constantly seeks to improve all its animal welfare practices, including those for fly strike prevention. A review of this model code has commenced and will be completed in 2005, in consultation with state and territory governments and other stakeholders. All current sheep husbandry procedures, including mulesing, will be considered as part of this process. There are current research projects funded by the wool industry and the Australian Government to develop alternatives to the Mules procedure.

The Australian Government has already completed a review of the livestock export industry and has acted to implement further improvements in this trade. The Government has provided \$11 million to fund improved animal welfare outcomes including a \$4 million investment to help improve animal welfare practices in Middle East importing countries and to upgrade handling procedures.

The Commonwealth Parliament has passed legislation to implement greater Australian Government regulation of the livestock export industry through the creation and full implementation of an *Australian Code for the Export of Live-stock*, new *Australian Standards for the Export of Live-stock* and stronger regulatory measures.

If Australia ceased supplying the market there would simply be an increase in exports from countries where animal welfare is accorded a much lower priority than is the case in Australia. While remaining sensitive to cultural differences with our trading partners, Australia's involvement in this trade is influencing change and animal welfare outcomes, as a result, have improved.

Detailed information on the initiatives to improve the welfare of animals involved in the trade is available on the Australian Government Department of Agriculture, Fisheries and Forestry's website (www.daff.gov.au/livetrade), as is a copy of Dr Keniry's Livestock Export Review report.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.16

FUNDING FOR ERADICATION OF CITRUS CANCKER

1. Citrus canker was found on one citrus-producing property in Emerald in late June 2004, now known as IP-1. The National Citrus Canker Eradication Program (NCCEP) was implemented with reference to the draft national Citrus Canker Contingency Plan and PlantPlan. A Consultative Committee on Exotic Plant Pests (CCEPP) was established to provide technical advice and budget oversight to Queensland, who have primary carriage of the eradication operations.
2. In early October 2004, canker was found on a second citrus producing property (IP-2) in the Pest Quarantine Area (PQA), which necessitated a review of existing budgets but did not require any change in the nationally agreed eradication strategy. Further detections have subsequently been confirmed on this property. This revised budget is presented to Council for approval and reflects the disease situation in the PQA on 22 November 2004.
3. The budget outlines costs for the removal of all citrus plants on IP-1, the removal of 161 ha of citrus trees on IP-2 and ongoing surveillance. Surveys include those to delimit infection on both infected properties, as well as those to detect infection in commercial citrus orchards and nurseries in the rest of Queensland.
4. The revised budget prepared by QDPIF totals \$10.896 million over the proposed three years of the eradication program.
5. A cost benefit analysis conducted by ABARE shows that the net benefit of eradication is over \$100 million even if all of the citrus in the PQA must eventually be destroyed. This analysis does not take into account possible costs to other production States through loss of production or loss of access to overseas markets should citrus canker become established.
6. At its meeting on 23 November 2004, the National Management Group (NMG) accepted recommendations from the CCEPP regarding the need for eradication of an additional 100 ha of citrus on IP-2 and additional intensive surveillance around the margins of this destruction zone for any further outbreaks as a matter of priority.
7. NMG reaffirmed the current national approach to citrus canker eradication but agreed that the current program of destruction would be reviewed immediately by CCEPP and NMG if the disease was detected outside the PQA. In the meantime CCEPP was requested to evaluate the risk of canker being detected outside the PQA and to develop contingencies to deal with such a situation.

8. It noted that surveys in the Gayndah-Mundubbera Management Zone (GMMZ) be brought forward from their proposed start date of March 2005. Weather conditions conducive to expression of disease symptoms have occurred in both the Emerald and the Gayndah-Mundubbera areas during October and early November. The surveys should provide further information by the end of January 2005 that will be helpful in determining the full extent of the disease in Queensland and forward activity projections and budgets.
9. NMG requested as a matter of urgency a budget based on a worst case scenario of widespread detection of citrus canker within the PQA. This has been drafted by Queensland and indicates that to remove all commercial and non-commercial citrus trees in the PQA and native citrus within 600 metres of a confirmed disease outbreak would cost an additional \$4.166 million to 31 March 2005.
10. Emerald citrus growers, in conjunction with the Queensland Citrus Growers (QCG), proposed to pre-emptively destroy their remaining orchards and those of neighbouring commercial orchards in the Emerald PQA for a total cost of \$50 per tree. The total cost was estimated at \$16 million. CCEPP considered an analysis of this proposal prepared by QDPIF and made the following recommendations:
 - (a) The QCG plan be rejected on the basis that the proposal for rapid pre-emptive destruction does not provide any greater confidence of achieving eradication than the current nationally agreed eradication program and that the current program should be continued.
 - (b) That the current government-assessed destruction and removal costs of approximately \$12 per tree remains appropriate on the basis of the average across the PQA against current tree removal methodology. The QCG proposal for payment of \$50 per tree for destruction and removal was considered excessive.
 - (c) That the development of an options paper that examines potential interim assistance measures to support growers in the PQA be supported. However, CCEPP considered this activity outside the mandate of the emergency technical guidance provided by CCEPP and NMG under existing cost-sharing arrangements and would not support its funding as part of the emergency response.
11. This final recommendation was considered by NMG and was referred to the Primary Industries Standing Committee for further consideration (see Resolution 7.17).

RESOLUTIONS

12. Council:
 - (a) **NOTED** the outcome of the 23 November 2004 National Management Group meeting particularly agreement to destroy an additional 100 ha of citrus on the second infected property, and ongoing commitment to the current national approach to citrus canker eradication;
 - (b) **ENDORSED** the current national approach to eradication and cost-sharing;
 - (c) **AGREED** the budget of \$10.9 million as detailed below for the response to the current outbreak, subject to funding agreement by jurisdictions;

- (d) **NOTED** that additional cost would be incurred if further infection is confirmed within the PQA. Queensland estimates an additional cost of \$4.2 million to 31 March 2005 for the removal of all commercial and domestic citrus trees, and some native hosts in the PQA;
- (e) **NOTED** surveillance in the Emerald Pest Quarantine Area (PQA) will continue and that surveillance in the Gayndah/Mundubbera will be brought forward, with survey outcomes expected to be known by January 2005;
- (f) **NOTED** that the current eradication strategy would be reviewed if disease is confirmed outside the PQA; and
- (g) **NOTED** that a separate paper on transitional assistance issues for affected citrus growers has been prepared for Council.

National Citrus Canker Eradication Program Indicative Budget (as at 22 November 2004).

	%	2004-05			TOTAL 2004-05	2005-06 ⁽⁴⁾	2006-07 (to 31 Dec 06) ⁽⁴⁾	TOTAL PROG
		IP-1 ⁽¹⁾	IP-2 ⁽²⁾	IP-2+ ⁽³⁾		TOTAL 2005-06	TOTAL 2006-07	
		\$	\$	\$	\$	\$	\$	\$
Aust. Gov.	50.00	1,980,000	1,178,500	269,000	3,427,500	1,319,000	701,500	5,448,000
SA	15.75	623,700	371,228	84,735	1,079,663	415,485	220,972	1,716,120
NSW	13.75	544,500	324,088	73,975	942,563	362,725	192,912	1,498,200
Queensland	9.85	390,060	232,165	52,993	675,218	259,843	138,195	1,073,256
Victoria	9.85	390,060	232,165	52,993	675,218	259,843	138,195	1,073,256
WA	0.80	31,680	18,856	4,304	54,840	21,104	11,224	87,168
TOTAL	100.00	3,960,000	2,357,000	538,000	6,855,000	2,638,000	1,403,000	10,896,000

- (1) Budget established following detection of citrus canker on IP-1 (July 2004) – previously approved by NMG
- (2) Budget supplement prepared following detection of citrus canker on IP-2 (October 2004) – principally reflects tree destruction costs to 31 December 2004
- (3) Supplement modified following confirmation of additional infection on IP-2 (November 2004) – principally reflects ongoing surveillance on IP-2, 1 January to 30 June 2005
- (4) Budget indicative only, pending an efficiency audit in early 2005

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.17

CITRUS CANKER – TRANSITIONAL ADJUSTMENT ISSUES

1. PISC established a working group chaired by New South Wales and including industry, to explore options to address transitional adjustment issues taking account where appropriate of the principles in the proposed plant health cost sharing agreement.
2. The PISC Working Group agreed on terms of reference and smaller groups comprising State, industry and Australian Government representatives to further develop options against these terms of reference. The Working Group's report will be finalised for consideration by Ministers out-of-session in the week commencing 13 December 2004.
3. A proposal from the Queensland Citrus Growers Association, aimed to address some of the uncertainty and additional costs that citrus canker is causing, called for the complete removal of all citrus trees in the Emerald district.
4. The Consultative Committee on Emergency Plant Pests (CCEPP) endorsed an assessment of the QCG proposal which concluded that the QCG proposal does not increase the likelihood of eradication and makes little change to the impact of the eradication program on the regional economy. These conclusions were endorsed by the National Management Group (NMG), which supported continuation of the current eradication strategy.
5. However the National Management Group acknowledged the difficulties being faced by the citrus industry in the Emerald region and suggested consideration be given to the development of an options paper that examines potential interim assistance measures to support growers in the PQA to maintain their citrus trees until summer surveillance is complete (January 2005).

Key Issues

6. Citrus growers in the Emerald region are facing a number of key issues including:
 - (a) management uncertainty – the proposed summer surveillance is not expected to finish before the end of January 2005 when a more accurate assessment of the status of the disease can be made. In the interim, growers face considerable uncertainty in making decisions on the best management options for their orchards;
 - (b) market uncertainty – domestic market closures and diminished markets for some export sales of citrus fruit;
 - (c) potential fruit treatment costs - Qld citrus fruit for interstate markets must be treated for citrus canker with a postharvest dip in sodium ortho-phenylphenate tetrahydrate (SOPP) or chlorine; and
 - (d) costs associated with the eradication program, including the cost of removal of trees should disease be detected, are covered separately under the existing plant pest

emergency cost-sharing arrangements. Owner re-imburement costs are not provided for under existing arrangements.

7. There is clear evidence that citrus growers in the Emerald PQA (and in the Queensland citrus industry more generally) are suffering serious economic hardship because of the continuing uncertainty over the future disease status of citrus orchards and whether wider eradication will eventually be necessary. The best scientific advice is that the status of the disease will not become clear until after January 2005 when intensive surveillance can be completed. It should be noted that citrus canker was first detected in the Emerald area in June 2004 so that growers will effectively be in limbo for up to 7 months. Where trees are removed, growers will not be able to replant with citrus for up to 2 years. This is impacting on growers' approach to the management of their orchards. Growers outside the PQA are also incurring additional costs associated with the need to treat their fruit before sale on the domestic market.

Possible Principles

8. A nationally-agreed approach to eradication of citrus canker on infected properties is being undertaken in the Emerald PQA under existing plant pest emergency cost-sharing arrangements.
9. However the current program provides resources for eradication only. No assistance is being provided to reimburse owners for costs associated with the loss of production, replanting of trees removed or treatment of fruit required for sale on domestic markets.
10. Separate arrangements are being progressed for a new Plant Health Cost Sharing Agreement, which has still to be ratified. This Agreement embraces the concept of "owner reimbursement costs" as part of the agreed eradication program. In general, "owner reimbursement costs" under the cost sharing agreement encompass the following components:
 - (a) direct eradication costs incurred by the owner that are additional to normal operating costs;
 - (b) the value of the crops destroyed (ie the estimated farm gate value of crops less operating costs). This includes the cost of replanting; and
 - (c) any costs or losses associated with an order that the property lies fallow.
11. The Plant Health Cost Sharing Agreement provides a formula for allocating costs according to the particular disease. In the case of Citrus Canker, this is a Category 2 disease, the costs of which are to be allocated in the ratio: 40% Australian Government; 40% States; and 20% industry.
12. The Plant Health Cost Sharing Agreement does not cover ongoing management costs, where eradication is not being undertaken, consequential losses due to eradication or support to recover from other impacts of the disease. Consideration of transitional assistance falling within the Plant Health Cost Sharing Arrangements could run the risk of compromising ratification of the Agreement.
13. The Working Group will develop options for providing targeted support to growers adversely affected by the situation in the Emerald PQA and possible funding alternatives, drawing where appropriate on the principles of the Plant Health Cost Sharing Agreement. .

Further Action

14. At its 26 November 2004 teleconference, the PISC Working Group agreed that, as a first step, it was necessary to identify the needs of individual citrus growers affected by the outbreak. The Queensland Government already has officials in the area to assess these needs. It was acknowledged that issues associated with broader community support could be adequately addressed under existing state programs. The PISC Working Group also recognised that, while it could consider the principles of the Plant Health Cost Sharing Agreement in exploring options to address transitional adjustment, any support beyond that envisaged in the Cost Sharing Agreement should be addressed separately, so as not to compromise the ratification of the Agreement.
15. On this basis, the PISC Working Group agreed on the following terms of reference:
 - (a) identify the transitional needs of citrus producers in the Emerald region;
 - (b) in the light of (a) above, identify possible options for assistance to citrus growers, including existing programs which could be utilised;
 - (c) identify possible measures to ensure financial institutions have a better understanding of the situation facing citrus growers in the region;
 - (d) identify export markets that are available to Emerald citrus growers; and opportunities to improve domestic market outlets.
16. It was agreed by the PISC Working Group that it would form smaller specialist teams to more quickly examine issues in accordance with the Terms of Reference. A report will be finalised by 10 December 2004 for possible consideration by Ministers out of session in the week commencing 13 December.

RESOLUTIONS

17. Council:
 - (a) **NOTED** the hardship being experienced by the citrus industry in Queensland because of the citrus canker outbreak including the long period of uncertainty growers are being required to endure until the status of the disease can be clarified in January 2005;
 - (b) **NOTED** that PISC has established a working group to advise Ministers on options to address transitional adjustment issues taking account where appropriate of the principles in the proposed plant health cost sharing agreement; and
 - (c) **NOTED** that the working group will deliver a report by 10 December 2004.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.18

**COAG REVIEW OF MINISTERIAL COUNCILS AND REVISED PROCESSES
AND PROCEDURES FOR PIMC**

1. PIMC 1 (May 2002) agreed to processes and procedures for PIMC which were consistent with the *Broad Protocols and General Principles for the Operation of Ministerial Councils* approved by COAG in June 2001.
2. At its meeting on 25 June 2004, COAG agreed to a number of changes to the *Broad Protocols and General Principles for the Operation of Ministerial Councils*.
3. One of the aims of the Broad Protocols is to facilitate high-quality consultative decision-making, through a robust framework that is accountable, fiscally prudent, and administratively efficient.
4. Changes to the protocols agreed by COAG are aimed at increasing the efficiency of the operation of Ministerial Councils resulting in:
 - (a) Ministerial Council agendas having a greater focus on strategic issues;
 - (b) improved reporting and information flows by Ministerial Councils on key issues and outcomes; and
 - (c) regular review by Ministerial Councils of their own function.
5. The revised protocols include the following:
 - (a) agendas for Ministerial Council meetings should focus on items of strategic national significance;
 - (b) if additional items are proposed for discussion after the Ministerial Council agendas are finalised, the Ministerial Council Chair must seek the views of jurisdictions prior to the inclusion of any proposed additional items;
 - (c) officials' meetings are to be held a minimum of five weeks prior to the Ministerial meeting; and
 - (d) each Ministerial Council should regularly review the efficiency of its administrative arrangements, including the frequency of meetings. This review should include the structure of the secretariat and funding issues and should take place, at a minimum, every three years.
6. Consistent with these changes, the PIMC processes and procedures have been amended to reflect the COAG review (Annex A). The revised procedures incorporate as Attachment 1, the requirements of the revised COAG Protocols and General Principles as agreed on 25 June 2004.
7. Also included in the revised processes and procedures are the changed arrangements agreed previously by PIMC and PISC concerning the devolution of financial issues.

Council delegated to Standing Committee responsibility to take decisions on financial issues up to \$1 million, and PISC delegated responsibility to the Advisory Committees in relation to financial issues up to \$100,000 in any one instance.

RESOLUTIONS

8. Council:

- (a) **NOTED** the outcomes of the Council of Australian Governments' (COAG) Meeting, held on 25 June 2004, in relation to changes the *Broad Protocols and General Principles for the Operation of Ministerial Councils* including:
- (i) Council agendas to focus on items of strategic national significance and to be included only where there is:
 - referral by COAG;
 - legislative requirements;
 - interest or potential interest for all jurisdictions;
 - seen to be a benefit in sharing information, innovations and experience;
 - a need to resolve areas of disagreement on key issues of Australia-wide concern; or
 - a need to ensure effective Ministerial control and accountability to Ministers at a national level of key activities and matters subject to funding agreements.
 - (ii) officials meetings to be held a minimum of five weeks prior to the Ministerial Council meeting;
 - (iii) final agendas and papers to be circulated to Council members no later than three weeks prior to a Council meeting;
 - (iv) Council Chair to consult with jurisdictions if an additional item is proposed for the agenda following its finalisation, with agreement required by a majority of Council members for inclusion on the agenda;
 - (iv) Councils to regularly review their objectives and performance and the efficiency of administrative arrangements, including the frequency of meetings, every three years at a minimum; and
 - (v) additional annual and individual meeting reporting requirements through the Department of Prime Minister and Cabinet to COAG members; and
- (b) **AGREED** to the revised PIMC processes and procedures at Annex A which incorporate the revised Protocols and General Principles.

ANNEX A: Processes and procedures for the Primary Industries Ministerial Council

PROCESSES AND PROCEDURES
FOR
THE
PRIMARY INDUSTRIES
MINISTERIAL COUNCIL

AND ITS ASSOCIATED

PRIMARY INDUSTRIES
STANDING COMMITTEE

AND

UNDERPINNING ADVISORY
COMMITTEES AND WORKING GROUPS

PROCESSES AND PROCEDURES

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PROCESSES AND PROCEDURES

[The following Processes and Procedures are to be read in conjunction with the requirements of the COAG approved Broad Protocols and General Principles for the Operation of Ministerial Councils (agreed by COAG June 2004) - see Attachment 1.]

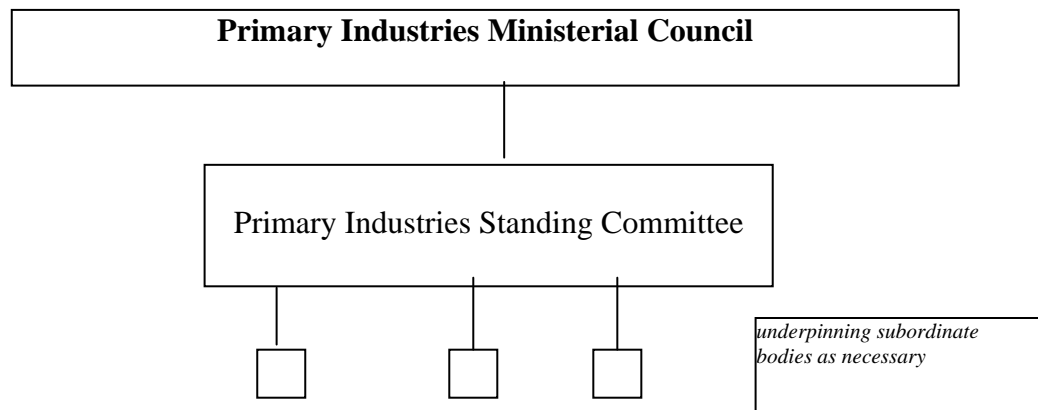
INTRODUCTION

The division of Constitutional powers between the Australian Government and Australian States and Territories necessitates a consultative approach to the development and implementation of many national policies, plans and proposals.

Ministerial Councils are a mechanism for developing national approaches and views on national issues and have, in various forms, been in existence almost since Federation. In 2001 the Prime Minister, State Premiers and Territory Chief Ministers reviewed these Councils - both in terms of number and format - and agreed to a series of changes, including the creation of a Primary Industries Ministerial Council. It was also agreed that the Council be underpinned by a single Standing Committee of senior officials.

In June 2004 COAG reviewed the broad protocols for the operation of Ministerial Councils and this is reflected in the following processes and procedures for the Primary Industries Ministerial Council (PIMC) and the Primary Industries Standing Committee (PISC).

In respect of this document, the Council and Standing Committee structure is represented diagrammatically below.



Meetings of the Ministerial Council and its related Standing Committee will be held at least annually.

1. COUNCIL

1.1 Objectives and terms of reference

The agreed objective of the Primary Industries Ministerial Council is:

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

The terms of reference of the Council are:

That the Primary Industries Ministerial Council:

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

1.2 Membership

Council membership is open to relevant Ministers from each Australian jurisdiction as well as New Zealand. Such Ministers will have portfolio responsibility in their jurisdictions for any of the matters within the scope of the interests of the Council

- for consideration of issues out-of-session the Secretariat will direct papers to all Council members, with the most appropriate Minister in each jurisdiction asked to provide a single State/Territory response.

It is the responsibility of Ministers to ensure they are in a position appropriately to represent their governments at meetings, in particular for issues which require financial commitments. Issues with cross-portfolio or whole-of-government implications or of a highly controversial nature may require prior consideration by governments at Cabinet level.

Where new issues or alternative proposals arise at meetings on which a Minister believes further consideration by his/her Cabinet is required, it is the responsibility of that Minister to make this position clear to the Council.

As necessary, other Ministers may be invited to participate in Council meetings.

1.3 Chairing arrangements

Council is chaired by the Australian Government Minister for Agriculture, Fisheries and Forestry.

1.4 Secretariat support

Secretariat support is provided by the Australian Government Department of Agriculture, Fisheries and Forestry.

1.5 Meeting arrangements

Council meetings are held at least once a year, usually in April and/or in October.

Meetings are hosted on an agreed rotation by all non-Australian Government members. Extraordinary meetings may be held from time to time, called by the Chair and generally hosted by the Australian Government.

At any given meeting, the dates and venues of the next two meetings will be decided in accordance with the agreed order of rotation.

1.6 Management of agenda/agenda papers

A draft agenda for each meeting will be prepared by the Secretariat in consultation with the members of Standing Committee and approved by the Council Chair.

Final agendas and papers will be circulated to all Ministers via their agency heads who are Standing Committee members, three weeks prior to the meeting.

If additional items are proposed for discussion after the agenda is finalised the views of jurisdictions will be sought prior to the inclusion of any proposed additional items.

1.7 Decision-making

Decisions of the Council are arrived at by consensus.

1.8 Devolution of responsibility

With regard to financial issues, Council delegated to Standing Committee responsibility to take decisions on financial issues up to \$1 million without reference to Council. This was agreed on the proviso that Council is provided, at each regular meeting, with a consolidated summary of all decisions involving the expenditure of funds.

1.9 Representatives on outside bodies

From time to time Council will be asked to provide a representative on a particular industry or other body. In these situations, the Standing Committee Chair, after any necessary consultation, will resolve the matter on behalf of Council and provide an information report to Council's next meeting.

1.10 Record of meetings

A record of meeting discussion and resolutions will be prepared by the Secretariat and circulated to all members for consideration/comment, and approval.

If they are not contentious, requested amendments to the meeting record will be incorporated by the Secretariat, and the final record published. Where significant changes are requested these will be discussed/resolved by the Secretariat with the Council Chair who will have the prerogative of accepting or rejecting any proposed amendments, and the final report published as soon as possible, including on the Council's Internet site.

Any media communiqués issued at the conclusion of the Council meeting will be incorporated in the published meeting record.

1.11 Reporting to COAG

Councils exercising formal decision making responsibilities must submit a report on decisions taken on an annual basis to the Council of Australian Governments.

Additionally, COAG requires that every three years as a minimum, Ministerial Councils should review their own structure, objectives and performance, and evaluate the implementation of Council decisions. Similarly, every three years as a minimum, Council should review its committees of officials and working parties to ensure that these are reduced in number to those which are essential, that those retained are clearly focussed, given a fixed time to achieve their objectives and that their terms of reference include a sunset clause. The outcomes of the review process are to be made available in a report to COAG Senior Officials and to COAG if requested.

2. STANDING COMMITTEE

2.1 Responsibilities and terms of reference

The main objective of the Standing Committee is to support the Ministerial Council in the achievement of its objectives and to develop cooperative and coordinated approaches to matters of concern to the Council.

Having regard to the specific terms of reference of Council, Standing Committee's role is to:

- (a) direct the work of its subordinate committees;
- (b) secure cooperation between members; and
- (c) advise Council on the initiation, review and development of Standing Committee activities.

2.2 Membership

Membership of Standing Committee is limited to Department Heads/CEOs of Australian Government, State/Territory and New Zealand government agencies responsible for the policy/regulatory issues which fall within the ambit of the Council.

For consideration of issues out-of-session, agenda papers are directed to all Standing Committee members, with the most appropriate member in each jurisdiction asked to provide a single State/Territory response.

2.3 Chairing arrangements

Standing Committee is Chaired by the Secretary of the Australian Government Department of Agriculture, Fisheries and Forestry.

2.4 Secretariat support

Secretariat support for Standing Committee is provided by the Australian Government Department of Agriculture, Fisheries and Forestry.

2.5 Meeting arrangements

Meetings are held at least five weeks prior to Council meetings. Meetings are hosted on a rotational basis between Sydney, Melbourne and Adelaide. Extraordinary meetings may be held from time to time and these will generally be hosted by the Australian Government.

The cost of meetings (other than fares and accommodation costs of delegates) is met equally between the Australian Government and State and Territory members. Detailed requirements regarding meeting arrangements are available from the Secretariat.

2.6 Management of the agenda

Items are only placed on the agenda of the Standing Committee through the Standing Committee Chair or the Chairs of its principal underpinning committees. This ensures a focus on strategic issues.

When seeking nominations for agenda items, the Secretariat circulates a timetable to Standing Committee members and principal committee secretaries detailing timeframes and deadlines for the receipt of papers and their distribution to members.

Draft meeting agendas are circulated to all members for comment at least five weeks before meetings. The agendas are agreed at a teleconference of Standing Committee members.

Agenda papers are prepared to a consistent format. This format is explained in *A Guide to Authors* which is available from the Secretariat.

Final agendas and papers are circulated at least three weeks prior to meetings.

If additional items are proposed for discussion after the agenda is finalised, the views of jurisdictions will be sought prior to their inclusion.

As far as possible, "information" items and routine matters are dealt with by Standing Committee out-of-session.

2.7 Decision-making

As with Council, decisions by Standing Committee are reached by consensus.

2.8 Devolution of responsibility

Standing Committee and its advisory/technical committees at all levels (hereinafter referred to as subordinate bodies) are required to address a wide range of activities independently. This requires a significant degree of devolution of decision making powers and responsibility from the Council.

Council had agreed that Standing Committee be delegated responsibility to take decisions on financial issues up to a limit of \$1 million in any one instance with the proviso that Council is provided, at each regular meeting, with a consolidated summary of all decisions including the expenditure of funds. PISC 4 (March 2003) agreed that the advisory committees be delegated financial decision-making responsibility up to a limit of \$100,000 in any one instance with the proviso that advisory committees report all such decisions to each regular meeting of Standing Committee.

2.9 Representatives on outside bodies

All Standing Committee members have the opportunity to represent the Standing Committee on outside bodies. The final decision on representation will be made by the Standing Committee Chair, after appropriate consultation.

Standing Committee representatives on outside bodies have an obligation to consult with and seek guidance from relevant Standing Committee members. Such representatives are required to report on their activities to Standing Committee.

2.10 Record of meetings

Within two weeks of Standing Committee meetings, a draft record of meeting discussion and resolutions, together with details of follow-up action, will be prepared by the Secretariat and cleared by the Standing Committee Chair prior to being circulated to all members for consideration/comment and agreement.

The published meeting record will contain the agreed meeting resolutions as well as resolutions relating to items circulated out-of-session prior to the meeting. The record will also include details of required follow-up action arising from the meetings, specifying the member or members responsible for action on particular items.

If they are not contentious, requested amendments to the meeting record will be incorporated by the Secretariat. Where significant changes are requested these will be discussed/resolved by the Secretariat with the Standing Committee Chair who will have the prerogative of accepting or rejecting any proposed amendments. Circulation of the Standing Committee report will be limited to Standing Committee members.

An action list covering all agenda items will be attached to the summary record.

The Secretariat will maintain a complete record of all Standing Committee and Council agenda papers and resolutions.

3. GENERAL POLICY FOR COUNCIL/STANDING COMMITTEE AND SUBORDINATE BODIES

3.1 Meeting venues

The locations of Council/Standing Committee meetings will generally be restricted to the capital cities of Australia and to Alice Springs, although Ministerial Councils may choose to opt for other locations if necessary, having regard to economy, convenience and relevance to the matters being discussed.

3.2 Publishing policy

When reports, discussion papers, etc are submitted to Council/Standing Committee for consideration, the subordinate body which submits the report should state whether, and in what manner the report might be published (including an approximate cost). This will facilitate decisions on how the report might best be made available for distribution to organisations and the public.

Significant papers (policy papers, codes of practice, standards, etc) will be published in a Council/Standing Committee Report series which is coordinated through the Secretariat.

The Secretariat will maintain a site on the Internet to provide information on all aspects of the Council/Standing Committee and their subordinate bodies. Publications (many free), including Council meeting records, will be made available through this site.

3.3 Media releases/statement

It is not appropriate for a subordinate body of Council to issue media releases, or to make statements on its own initiative without the approval of Council. Draft media releases or statements should be presented for Council approval and decision as to the manner in which such statements might be made.

3.4 Availability of documents

With the exception of published reports, as a general principle Council/Standing Committee working documents remain restricted to member organisations of Standing Committee.

COAG has determined that, subject to the applicability of the relevant Australian Government, State or Territory Freedom of Information legislation, unless all members of Council agree, any discussion by, or document of the Council, or any committee, sub-committee, working group officer or agent of the Council shall be confidential. Requests for Council and Standing Committee documents under the provisions of the Commonwealth Freedom of Information (FOI) Act are to be referred to the Council Secretariat in the first instance.

Where persons on Standing Committee subordinate bodies, eg working groups, are not officers of a member organisation of Standing Committee, the documents used by and prepared during the working group's deliberations are provided to those persons for their use only as members of the working group and are not to be distributed more widely. Similarly, the discussion of issues in these meetings is confidential.

3.5 Conferences/workshops

Requests for approval of conferences and workshops are considered in the first instance by the relevant advisory committee. The advisory committee will then seek Standing Committee approval, generally out-of-session. All proposals should be nominated by the relevant subordinate body, or in the case of a member organisation, the relevant Standing Committee member.

4. COST SHARING ARRANGEMENTS

4.1 As a general principle, costs related to Council/Standing Committee activities are shared by the Australian Government and the States/Territories in an agreed ratio related to the particular initiative. For example:

- . **national interest formula** (50% Australian Government and 50% State/Territory funding for particular plant/animal exotic disease eradication campaigns) and applied to relatively few initiatives
 - involves all members to varying degrees as funding is generally a function of the gross value of production of the particular commodity being considered, or some other agreed formula.
- . **population based general funding formulae**
 - applied to the majority of funding situations where the costs are shared between the Australian Government and States. The formula is revised from time to time by the Secretariat. The latest (based on ABS population figures at 2002) is set out below:
 - A = Australian Government contributes 1/7th of the cost with the State/Territory members contributing to the remaining 6/7ths in proportion to their population; and
 - B = Australian Government contributes 50% with States/Territories contributing pro rata according to population.
- . **bilateral issues**
 - only involving particular members with costs shared on an agreed basis.
- . **administrative issues** (eg publications and workshops)
 - costs to be shared by all members on an agreed basis.

Cost sharing formulae(based on 2002 data)

	A	B	C
	%	%	%
<i>Australian Government</i>	14.3	50.0	11.9
New South Wales	29.0	16.9	24.1
Victoria	21.2	12.4	17.7
Queensland	16.1	9.4	13.5
Western Australia	8.4	4.9	7.0
South Australia	6.6	3.9	5.5
Tasmania	2.1	1.2	1.7
Northern Territory	0.9	0.5	0.7
Australian Capital Territory	1.4	0.8	1.2
New Zealand	-	-	16.7
TOTAL	100.00	100.00	100.0

Table based on ABS and Statistics New Zealand population figures as at 30 June 2002

A = 1/7th Australian Government and 6/7th States/Territories by population.

B = 50% Australian Government and 50% States/Territories by population.

C = Australian Government/States/Territories plus New Zealand, by population.

- 4.2 In certain instances New Zealand will also participate in these cost sharing arrangements.

5. SUBORDINATE BODIES AND THEIR OPERATION

[In this context, "subordinate bodies" means all committees, task forces, working groups, etc which report to Standing Committee either directly or indirectly.]

5.1 Structure of subordinate bodies

Bodies subordinate to Standing Committee will take various forms ranging from high level advisory committees and task forces through to networks and working groups.

The title of subordinate bodies that are established to report/work to more than one Standing Committee/Council must be prefixed with the word "Joint".

To guard against duplication, Standing Committee must be advised of the establishment of any subordinate body, with the exception of those with a life of less than six months. Such advice must be accompanied by a statement of the functions proposed, draft terms of reference, membership, the agencies accepting responsibility for convening and supporting meetings, as well as a termination/review date.

All subordinate bodies must have clearly defined terms of reference and an approved workplan, which directly relates to the Council workplan.

5.2 Membership and observer status

General principles

Membership of subordinate bodies is generally limited to one person nominated to represent the interests of each Standing Committee member. Such nominees must have sufficient professional/technical expertise, seniority and delegated authority to speak and act on behalf of those they represent.

With the exception of the advisory committees, persons may be co-opted on a temporary basis, for a specific purpose. These may include representatives from universities, industry groups, statutory authorities, other Ministerial Councils, non-government organisations, other specialist personnel and stakeholders. Persons, other than those co-opted on a temporary basis, continue as members until they are replaced by their sponsors.

The involvement of relevant industry in the work of subordinate bodies is encouraged, as is the involvement of all stakeholders in committee-sponsored workshops/annual industry meetings, etc.

The Chair of a subordinate body may at any time invite persons who are not represented on Standing Committee to attend individual meetings of that body, but only in an advisory or consultative capacity for the purpose of assisting members, and on the understanding that any papers or discussion relating to that meeting be treated as confidential. When such an offer is considered, the Chair of the subordinate body in question should discuss the issue with the Chair of the next most senior subordinate body (ie to which it reports).

Exceptions

Some subordinate bodies will have a valid requirement for membership outside the principles stated above and these are considered on a case by case basis.

5.3 Chairing of subordinate bodies

As far as possible, Chairs of subordinate bodies should be members of the committee to which they report. If a deputy Chair is not nominated at the time of the appointment of the Chair then the committee itself should nominate a deputy as soon as possible.

Chairs generally hold office for not more than two years from the date of their appointment.

Unless otherwise agreed, each member of Standing Committee is entitled to have only one representative on each subordinate body except for such times as that representative is acting as Chair, when an alternate may be nominated to represent the member.

PISC 4 (March 2003) agreed that the advisory committees be delegated financial decision-making responsibility up to a limit of \$100,000 in any one instance with the proviso that advisory committees report all such decisions to each regular meeting of Standing Committee.

5.4 Secretariat support

As a general principle subordinate bodies are serviced by the agency providing the Chair.

As far as possible, secretariat support (as with chairing), should be shared by all Standing Committee members.

5.5 Timing and frequency of meetings

The Chair of subordinate bodies should discuss with the Chair of the committee to which they report, and with the Secretariat, their proposed meeting schedule/arrangements to ensure linkages to Standing Committee's procedures/timeframes.

Meetings of subordinate bodies must be timed to allow agenda papers to be available at least 10 working days prior to the meeting of the committee to which it reports - and four weeks in the case of Standing Committee.

Subordinate bodies may meet as often as business warrants although it is not expected that they will meet face to face more than twice each year.

5.6 Reporting

As a general principle, subordinate bodies are to report on their activities and the outcomes of their meetings to the committee to which they are responsible. Such reports are to be available within one month of meeting. This, generally, will be done out-of-session.

Reports to Standing Committee should be as follows:

- (a) all matters for decision by, or for information of, Council or for decision by Standing Committee are to be submitted as separate agenda papers; and
- (b) all other matters dealt with are reported to Standing Committee by way of a consolidated information paper, generally out-of-session.

Reports are to be submitted to the Secretariat in the required format at least four weeks prior to the meeting of Standing Committee. (See *Agenda Papers - Guide for Authors* issued by the Secretariat from time to time.)

Attachment 1: COAG Protocols and Principles for the operation of Ministerial Councils – June 2004

BROAD PROTOCOLS FOR THE OPERATION OF MINISTERIAL COUNCILS

1. Preamble

Ministerial Councils are a means of coordinating across jurisdictions, national approaches to issues. It is important that Ministerial Councils operate as efficiently as possible to achieve this objective. One of the aims of these Broad Protocols is to facilitate high-quality consultative decision-making, through a robust framework that is accountable, fiscally prudent, and administratively efficient.

2. Representation of Constituent Governments

It is the responsibility of Ministers to ensure they are in a position appropriately to represent their governments at Council meetings. This is of particular importance where resolutions require commitment, especially financial commitment, from respective governments.

Issues with cross-portfolio or, whole-of-government implications or of a highly controversial nature may require prior consideration by governments at Cabinet level.

Where new issues or alternative proposals arise at meetings on which a Minister believes further consideration by Cabinet is required, it is the responsibility of that Minister to make this clear to the Council.

Ministerial Councils exercising formal decision-making responsibilities must submit a report on decisions taken on an annual basis to the Council of Australian Governments.

3. Development of Agendas

Council arrangements should include processes for ensuring that all parties have input to the development of agendas and that agendas are agreed at the earliest possible date prior to meetings. It is desirable that the Agenda setting process is commenced sufficiently ahead of the proposed Ministerial Council meeting to ensure that final Agendas and papers are circulated no later than three weeks prior to the meeting.

If additional items are proposed for discussion after the agenda is finalised the Ministerial Council Chair must seek the views of jurisdictions prior to the inclusion of any proposed additional items. These additional items may be included formally on the meeting Agenda only if they are unable to be handled out-of-session and only following the agreement of a majority of members. No individual jurisdiction shall have the power of veto.

Agendas for Ministerial Council meetings should focus on items of strategic national significance and, where possible Ministerial Councils should avoid having standing discussion items. To this end, out-of-session consideration of these types of items may be appropriate, to assist Ministerial Councils in maintaining their focus on items of national significance.

4. Provision of Agenda Papers

Council arrangements must include processes for ensuring that agenda papers are circulated sufficiently in advance to allow appropriate prior consideration by the constituent governments, particularly where there are budgetary implications.

It is desirable that the Agenda setting process is commenced sufficiently ahead of the proposed Ministerial Council meeting to ensure that final Agendas and papers are circulated

a minimum of three weeks prior to the meeting. Ministerial Councils should ensure that members are notified of the status of document versions circulated for consideration.

However Ministerial Councils should be aware that additional time should be allowed if Cabinet consideration is required for approval of jurisdictional positions.

5. Arrangement of Officials' Meetings

Officials' meetings held to develop issues for the consideration of Ministers should be held a minimum of five weeks prior to the meeting, to allow proper consideration of the issues. It is desirable that the Agenda setting process is commenced sufficiently ahead of the proposed Official's meeting to ensure that final Agendas and papers are circulated no less than three weeks prior to the meeting.

6. Record Keeping Arrangements

Processes for record keeping and minute taking are the responsibility of individual Councils. Copies of Minutes from Ministerial Council meetings should be forwarded to the Department of Prime Minister and Cabinet (PM&C) after each meeting. PM&C will circulate these minutes to other First Ministers' Departments.

7. Resolutions

Decision-making procedures such as voting rules are the responsibility of individual Councils, unless specific rules are included in relevant legislation or included in the establishment criteria/charter of the Ministerial Council. Arrangements for announcing resolutions reached by Ministerial Councils should be agreed by all members of a Council. When matters require further consideration, any Ministerial Council announcements should not pre-empt this further consideration, particularly where matters involve financial implications that have not been settled by Councils.

8. Liaison between Councils

When considering intergovernmental matters which have implications beyond the areas of responsibility of a Ministerial Council, other relevant Councils should be consulted through liaison between the Chairs in the first instance. Ministerial Councils should also refer such issues to Heads of Government where they have major cross-portfolio or whole-of-government implications.

9. Involvement of the Australian Local Government Association

Except for matters where membership is explicitly set out by statute or agreement, it is up to individual Ministerial Councils to decide (and regularly review) whether ALGA should be a member or attend proceedings.

10. Involvement of Other Countries

Except for matters where membership is explicitly set out by statute or agreement, it is up to individual Ministerial Councils to decide whether other countries or any other parties should be members or attend proceedings. The continued involvement of other countries with individual Ministerial Councils should be regularly reviewed.

11. Efficiency of Council Operations

Each Ministerial Council should regularly review the efficiency of its administrative arrangements, including the frequency of meetings. This review should include the structure of the secretariat and funding issues and should take place, at a minimum, every three years. One issue it should consider is whether a rotating secretariat or a permanent secretariat is more appropriate.

All Ministerial Councils should ensure that they comply with the Broad Protocols and General Principles.

In this respect, arrangements for the operation of individual Councils should also take account of the involvement of its members in other Ministerial Councils, including the possibility of joint back-to-back meetings where appropriate, and the use of teleconferencing and/or videoconferencing.

Ministerial Council Secretariats should submit no later than September each year to PM&C an update on key issues and associated outcomes deliberated by the Ministerial Council during the preceding financial year.

12. Consultation with Interest Groups

In any consultations with interest groups, Ministerial Councils should ensure that consideration of major policy initiatives by their constituent governments is not pre-empted or precluded. The status of any documents released to those groups or the general public should also be made clear.

13. Information about Councils

Each Ministerial Council should make available in a convenient form, and provide annually to PM&C for inclusion on its COAG website, information on its:

- title and membership;
- role and responsibilities, including any pursuant to statute or agreement;
- administrative arrangements; and
- contact officer and address.

14. Reports to COAG

On an annual basis, all Ministerial Council Secretariats should provide a copy to PM&C of their:

- minutes;
- a list of all resolutions; and
- any other relevant documents.

This will allow the preparation of a consolidated report of Ministerial Council activities for COAG if requested.

15. COAG Principles and Guidelines on National Standard Setting by Ministerial Councils and National Regulatory Bodies

Under the 1995 COAG Principles and Guidelines, COAG and Ministerial Councils are required to prepare Regulatory Impact Statements (RISs) for all regulatory proposals which would affect business or impact on competition. The RIS obligations complement similar requirements at the Commonwealth and State/Territory levels and can be used to satisfy those obligations. Regulatory proposals must satisfy the principles for good regulatory practice and the guidelines for the preparation of RISs set out in the COAG Principles and Guidelines.

Under the amendments to the COAG Principles and Guidelines endorsed by Heads of Government in November 1997, draft RISs should be provided to the Commonwealth Office of Regulation Review (ORR) for comment prior to finalisation. The ORR's role is to assist Ministerial Councils and national (that is, intergovernmental) regulatory Bodies to prepare RISs which comply with the COAG Principles and Guidelines. The ORR will report annually on compliance with the COAG Principles and Guidelines and can at any time bring concerns it may have about particular regulatory proposals to the attention of Heads of Government through the COAG Committee on Regulatory Reform.

16. The Trans-Tasman Mutual Recognition Arrangement (TTMRA)

Ministerial Councils have statutory decision-making functions under the TTMRA. Councils can be required to make determinations in relation to the Temporary Exemption, Special Exemption and Referral mechanisms. When Ministerial Councils are considering TTMRA related issues, determinations are made on a vote in favour by at least two-thirds of Participating Parties. This requirement, effective only for TTMRA issues, supersedes any existing voting arrangements of Ministerial Councils. New Zealand will not vote on issues that are relevant to Australian jurisdictions only. When considering TTMRA issues, New Zealand is to have full membership and voting rights on Ministerial Councils. Any proposed standards or regulations considered under the TTMRA are to be developed consistently with the COAG Principles and Guidelines.

GENERAL PRINCIPLES FOR THE OPERATION OF MINISTERIAL COUNCILS

The following are principles for the efficient and effective operation of Ministerial Councils.

1. Membership by local government and New Zealand (and/or other regional governments) should not intrude on the central functions of the development and coordination of policy, problem-solving and joint action by jurisdictions within the Federation. However, such membership may often be desirable to facilitate consultation and national policy development and should be reviewed on a regular basis.
2. Every three years, as a minimum, each Ministerial Council should review its structure, objectives and performance, and evaluate the implementation of its decisions. This will be assisted by procedures for tracking the implementation of decisions and agreements made between the Ministers. The review should include an assessment of the Council's structure and relationship with other Ministerial Councils, identify any areas of overlap and include recommendations and timelines for addressing any issues in the report. The outcomes of the review process should be made available in a report to COAG Senior Officials and COAG if requested.
3. Each Ministerial Council should clarify annually its field of coverage and the powers it exercises, consistent with the brief that Ministers hold from their governments.
4. The locations of Ministerial Council meetings will generally be restricted to the capital cities of Australia and to Alice Springs, although Ministerial Councils may choose to opt for other locations if necessary, giving serious regard to economy, convenience and relevance to the matters being discussed. Meetings of Ministerial Councils should consider rotation of venues to ensure that the burden of travel does not fall disproportionately on some jurisdictions.
5. Every three years, as a minimum, Ministerial Councils should review the structures of their committees of officials and working parties to ensure they are reduced in number to those which are essential, that those retained are clearly focussed, given a fixed time to achieve their objectives and that their terms of reference include a sunset clause. The outcomes of the review process should be made available in a report to COAG Senior Officials and COAG if requested.
6. Ministerial Councils should meet annually. Councils may meet more than once a year in exceptional circumstances, or where the work program of the Council clearly demonstrates a need. In all cases, when Ministerial Council meetings are scheduled, Ministers should check the agendas to ensure that a face-to-face meeting is necessary. Ministerial Councils should make full use of the technology available to increase the efficiency of their operations, including to reduce the need for face-to-face meetings to one a year, where possible. Ministerial Councils should implement out-of-session arrangements, discussing items at other scheduled Ministerial Council meetings and discussions via teleconferencing and videoconferencing.
7. Council agendas should focus on items of strategic national significance. Items should only be included on the Agenda where there is:
 - referral by COAG;
 - legislative requirements;
 - interest or potential interest for all jurisdictions;
 - seen to be a benefit in sharing information, innovations and experience;

- a need to resolve areas of disagreement on key issues of Australia-wide concern; or
- a need to ensure effective Ministerial control and accountability to Ministers at a national level of key activities and matters subject to funding agreements.

Items of a procedural and technical nature should be delegated as far as possible to standing committees of officials to determine, or be dealt with out-of-session (for example, by correspondence).

8. Where items cover the remit of more than one Ministerial Council, the Council should identify a process for involving the other relevant Ministerial Councils in discussions and policy development. Relevant Ministerial Council decisions should be discussed and/or ratified by other Ministerial Councils where appropriate.
9. A list of Ministerial Councils should be published and regularly updated on the COAG website (www.coag.gov.au), including where possible for each, details of its field of policy, roles and functions, operational objectives, membership, standing committees of officials, secretariat arrangements and contact points. This website should also include the Protocols for the Operation of Ministerial Councils, and the COAG Guidelines for the Creation of New Ministerial Councils. A printed copy of this publication should also be prepared and made available if requested. Individual jurisdictions should ensure that this publication receives wide circulation among their agencies.
10. A Ministerial Council should only be formed or abolished with the endorsement of Heads of Government. The COAG Guidelines for the Creation of New Ministerial Councils should be applied in all cases. To achieve consistency of nomenclature, it is desirable that, as far as possible, continuing, multilateral meetings of Ministers from the various jurisdictions should be called Ministerial Councils. Groups of senior officials which support Ministerial Councils should be called Standing Committees.
11. In cases where the field of policy covered by a Ministerial Council covers more than one portfolio in any jurisdiction, each jurisdiction should determine which Minister or Ministers are to attend and arrange appropriate liaison. The use of a standardised consultation process across Departments on Ministerial Council issues, particularly when issues cover the remit of more than one Ministerial Council, would also be beneficial.
12. Each Council may wish to review its arrangements for chairing with a view to considering the option of rotating the chair. Ministerial Councils may wish to examine their secretariat arrangements along with the chairing arrangements, to ensure that they have the arrangement which is the most effective for that Council. Ministerial Councils with rotating Secretariats could investigate the option of establishing a permanent secretariat.
13. All Councils should formalise their procedures so that they are consistent with the Protocols for the Operation of Ministerial Councils. These procedures should be reviewed at least triennially.
14. Subject to the applicability of the relevant Commonwealth, State or Territory freedom of information legislation, unless Council approval is received, any discussion by, or document of the Council, or any committee, sub-committee, working party, officer or agent of the Council, shall be confidential.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.19

FINANCIAL REPORT

1. Standing Committee is required to report to Council on all expenditures agreed within its limit of \$1m in any one instance
 - decisions on expenditure above \$1 million are taken by Council.
2. A summary of the financial items agreed by PISC 7 and PIMC 7 is at Annex A.

RESOLUTION

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

ANNEX A: Summary of agreed expenditure items

SUMMARY OF AGREED EXPENDITURE ITEMS

PISC 7 Eradication of Grapevine Leaf Rust in the Northern Territory
 Revised 2004-05 budget (as agreed by PISC 5, September 2003) for the eradication of Grapevine Leaf Rust with the following member contributions:

	%	\$
Australian Government (DAFF)	50.00	250,000
New South Wales	11.30	56,500
Victoria	14.24	71,200
Queensland	0.25	1,250
Western Australia	2.17	10,850
South Australia	21.87	109,350
Tasmania	0.17	850
TOTAL	100.00	500,000

PISC 7 Drought Policy
(Supp) Funding for consultancy by the Bureau of Rural Sciences to assist the Industries Developments Committee in understanding the causative factors about why some farmers prepare for drought whilst others do not, with the following member contributions:

	%	\$
New South Wales	33.6	10,080
Victoria	24.7	7,410
Queensland	19.2	5,760
Western Australia	9.8	2,940
South Australia	7.7	2,310
Tasmania	2.4	720
Australian Capital Territory	1.6	480
Northern Territory	1.0	300
TOTAL	100.0	30,000

PIMC 7 National Information Management Capability for Surveillance, Quarantine, Control and Recovery

(i) Funding of development of SQCR with the following member contributions:

	%	\$
Australian Government (DAFF)	42.65	290,000
New South Wales	19.84	134,936
Victoria	14.57	99,108
Queensland	10.81	73,517
Western Australia	5.75	39,085
South Australia	3.39	23,018
Tasmania	1.44	9,771
Australian Capital Territory	0.78	5,283
Northern Territory	0.78	5,283
TOTAL	100.00	680,000

Note: The above estimates may vary up to a maximum of 20%.

(ii) Funding for an RMP package for integration into SQCR with the following member contributions:

	RMP %	RMP Cost \$	Field Ready %	Field Ready Cost	Training %	Training Cost \$
Aust. Gov.	57.10	225,537	50.00	18,000	50.00	60,000
NSW	19.33	76,346	16.93	6,093	16.93	20,310
Victoria	-	-	12.43	4,475	12.43	14,918
Queensland	10.53	41,595	9.22	3,320	9.22	11,066
WA	5.60	22,114	4.90	1,765	4.90	5,883
SA	4.53	17,902	3.97	1,429	3.97	4,762
Tasmania	1.40	5,528	1.23	441	1.23	1,471
ACT	0.75	2,989	0.66	238	0.66	795
NT	0.75	2,989	0.66	238	0.66	795
TOTAL	23.56.00	93,117	100.00	35,999	100.00	120,000

Note: The above estimates may vary up to a maximum of 20%.

PIMC 7 Funding for Eradication of Citrus Canker

Funding of Indicative Budget for the National Citrus Canker Eradication Program in 2004-05, 2005-06 and 2006-07 with the following member contributions:

	%	2004-05 \$	2005-06 \$	2006-07 \$	TOTAL \$
Australian Government	50.00	3,427,500	1,319,000	701,500	5,448,000
South Australia	15.75	1,079,663	415,485	220,972	1,716,120
New South Wales	13.75	942,563	362,725	192,912	1,498,200
Queensland	9.85	675,218	259,843	138,195	1,073,256
Victoria	9.85	675,218	259,843	138,195	1,073,256
Western Australia	0.80	54,840	21,104	11,224	87,168
TOTAL	100.00	6,855,000	2,638,000	1,403,000	10,896,000

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.20

NEXT MEETINGS

1. Forward meeting dates for 2005 for the Natural Resource Management, Primary Industries and Environment Protection and Heritage Ministerial Councils were agreed by the NRM Ministerial Council in April 2004.
2. The proposed locations for 2005 and 2006 reflect earlier decisions to rotate Council meetings between all non-Australian Government members and to rotate Standing Committee meetings between New South Wales, Victoria and South Australia (with costs in the latter case to be shared by all Australian jurisdictions).
3. There has been a need to review the dates for the Ministerial Council meetings in October 2005, due to clashes for the Australian Government Council Chairs with newly released 2005 parliamentary sittings. These meetings have been re-scheduled for two weeks later on 20-21 October 2005 in Tasmania. In addition, to minimise the length of time between the September 2005 Standing Committee meetings and the re-scheduled Council meetings, it was proposed that Standing Committee also be re-scheduled to 15-16 September 2005 in New South Wales.
4. In setting possible dates in 2005, reference has been made to previous years in terms of selecting periods in April and October that minimise the risk of significant clashes for Ministerial Council meetings with parliamentary sitting schedules in member jurisdictions.
5. At NRMMC 6 (April 2004), New Zealand indicated its preference for hosting Council meetings in April 2005 rather than in October 2005. NRMMC discussed the implications of this proposal for its expected meeting with the NRM Community Forum and agreed to seek further advice.
6. The Secretariat has subsequently been advised by New Zealand that, in view of the NRM Community Forum meeting with NRMMC in April, it is willing to delay hosting the meetings of NRMMC, PIMC and EPHC until October 2006. Based on the agreed rotation, Tasmania has been nominated to host the three Council meetings in October 2005.
7. Provisional dates and meeting locations for 2006 were also proposed.

RESOLUTION

8. Council **AGREED** to meeting arrangements in 2005 and 2006 as follows including, in particular revised dates for Standing Committees and Councils in September/October 2005:

2005 Standing Committees Ministerial Councils	10-11 March 14-15 April	South Australia Northern Territory
Standing Committees Ministerial Councils	15-16 September 20-21 October	New South Wales Tasmania
2006 Standing Committees Ministerial Councils	March April	South Australia New South Wales
Standing Committees Ministerial Councils	September October	Victoria New Zealand

**THE FOLLOWING ITEMS WERE CONSIDERED/NOTED BY COUNCIL
OUT-OF-SESSION**

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.21

Submitted to PIMC for information out-of-session 10 August 2004

IMPLEMENTATION OF THE AUSTRALIAN ANIMAL WELFARE STRATEGY

1. PIMC 5 (May 2004) endorsed the AAWS as a sound basis to improve animal welfare outcomes in Australia and requested Standing Committee, through Primary Industries Health Committee (PIHC), to coordinate the development of an Implementation Plan in consultation with key stakeholders. This Plan will incorporate specific action plans with nominated lead agencies, and prioritised target dates; identify required resources and funding to deliver the Strategy; and provide a basis for national coordination and reporting on the Strategy.
2. PIMC 5 also agreed that the economic implications of any changes resulting from this strategy also be considered by Standing Committee; and requested Standing Committee report progress to Council at its next meeting.
3. The development of the Implementation Plan is being led by Animal Health Committee (through the Animal Welfare Working Group) and DAFF.
4. DAFF organised an AWWG Implementation Workshop on 23 July 2004 to engage key stakeholders in clarifying the steps to be taken to implement the AAWS and in the implementation process. Dr Robin Vandegraaff, the AWWG Chair, chaired the Workshop which was attended by 30 stakeholder representatives including representatives of relevant State and Australian Government agencies, the NFF, Australian Pork Limited, Animal Health Australia, the Australian Veterinary Association, RSPCA Australia, Animals Australia and the research community.
5. The Workshop agreed that the Implementation Plan should include the development of specific Action Plans for five key areas, viz identification of current initiatives relevant to the AAWS implementation, national coordination and audit, communication, research and development and national information systems. It also supported the establishment of a steering committee as the means for national coordination of and reporting on the AAWS implementation. The workshop also acknowledged the high priority of work in progress through AWWG to formalise a suitable process and funding arrangements for production and review of national animal welfare standards.
6. The Workshop recognized that the AAWS implementation will represent a major commitment by all stakeholders and will require a partnership approach to resourcing, initially to develop an Implementation Plan and then later to develop specific Action Plans.
7. AWWG will develop an AAWS Implementation Plan in the light of the 23 July

workshop outcomes for PISC/PIMC consideration out-of-session.

8. The Office of Regulation and Review (ORR) has confirmed that a Regulatory Impact Statement is not mandatory for the Strategy (ORR ID number 5912) as, at this stage, it does not contain regulatory elements and is unlikely to have a significant impact on business. However initiatives flowing from this strategy in the future, such as specific action plans, may trigger the COAG RIS requirements and the ORR has requested to be kept informed of further developments.

RESOLUTION

9. Council **NOTED** progress in the development of an Australian Animal Welfare Strategy (AAWS) Implementation Plan.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.22

To be resolved

AMENDMENT TO THE NATIONAL EGG LABELLING DECISIONS

1. Council considered out-of-session, a paper seeking agreement to an amendment to Standard 6 - Definition of Egg Production Systems of the National Egg Labelling Standards. The proposed amendment requires the egg production system, as stated in the Australian Model Code of Practice for the Welfare of Animals - Domestic Poultry, to be printed in a legible manner on the carton. The full definition of the egg production system must be made available to the public by either:
 - (a) printing the full definition on the carton; or
 - (b) providing an industry or producer website address, telephone information helpline or postal address where the full definition can be obtained.

2. The current Standard 6 states that the full definition of the egg production system, as stated in the Australian Model Code of Practice for the Welfare of Animals - Domestic Poultry, must be included on the underside of the top of the carton, as well as a reference to the Code of Practice.

3. This item has not yet been resolved.

Primary Industries Ministerial Council	MEETING NUMBER: 7
	LOCATION: MELBOURNE
	DATE: 3 DECEMBER 2004
RESOLUTION	No: 7.23

Finalised out-of-session 18 November 2004

AUSVETPLAN – BOVINE BRUCELLOSIS AND ANTHRAX DISEASE STRATEGIES

1. AUSVETPLAN is a series of technical response plans that describe the proposed Australian approach to an emergency animal disease (EAD) incursion. The documents provide *guidelines* to combat disease emergencies based on sound analysis, linking policy, strategies, implementation, coordination and emergency management plans.
2. ARMCANZ 7 (May 1996) approved the second edition of AUSVETPLAN comprising new and revised manuals; and agreed that Animal Health Committee or its successor should in future approve technical changes to manuals arising from new knowledge and /or experience but that significant changes to policy continue to be submitted to ARMCANZ (PIMC) for approval.
3. The Anthrax Manual was developed from a 1997 report on the control of anthrax published by the then Department of Primary Industries and Energy (now the Australian Department of Agriculture, Fisheries and Forestry). The manual was prepared by an ad hoc working group has been substantially revised.
4. Brucellosis eradication policy improvements include clarifying *destocking* terminology; emphasising regular serological testing in strengthening *test and slaughter* policy; adopting a more flexible approach to *vaccination*; reinforcing the potential for *human disease* and the need for *OH&S measures* to be adopted; and including *cost –sharing* of disease control introduced by the government and livestock EAD cost sharing response agreement.
5. Similarly, the Anthrax strategy is the basis of the Australian response developed from experience over the past 50 years in handling sporadic and unusual outbreaks of anthrax. Anthrax policy was reappraised after the unusual 1997 outbreak in Victoria.
6. Both bovine brucellosis and anthrax are Office International des Epizooties (OIE) List B diseases which are communicable diseases of socioeconomic and / or public health importance and significant in the international trade of animals and animal products. Both the AUSVETPLAN brucellosis and anthrax manuals conform with the *OIE Terrestrial Animal Health Code*.
7. Generally, cost-sharing response agreement principles can only be applied to meet disease outbreak *combat costs* where the EAD *response plan* conforms with the relevant agreed *AUSVETPLAN disease strategy*. Brucellosis and anthrax are category 2 and 3 EAD's under the cost sharing response agreement, respectively. A brucellosis outbreak would have potential *major* national socio economic consequences through serious international trade losses, national market disruption and severe production losses. Costs

would be shared 80% / 20% by Governments and industry respectively. Anthrax outbreak effects would result in *significant* (but generally moderate) socio-economic consequences and trade losses with costs shared 50 %/ 50% by government / industry.

8. On the basis of information supplied, the Office of Regulation Review (ORR) has advised that the preparation of a Regulation Impact Statement is not mandatory for the Anthrax or Brucellosis manuals

RESOLUTION

9. Council **ENDORSED** the new AUSVETPLAN bovine brucellosis and anthrax disease strategies, *The Brucellosis Manual* and *The Anthrax Manual* respectively.

ANNEX A: AUSVETPLAN – Disease Strategies for Bovine Brucellosis and Anthrax Disease

Strategies are not attached but are held by the PIMC Secretariat.

PRIMARY INDUSTRIES MINISTERIAL COUNCIL

Communiqué

PIMC 7

3 December 2004

Primary Industries Ministers from across Australia met in Melbourne on Friday, 3 December 2004 to consider progress on issues impacting on Australia's primary production sector. This was the seventh meeting of the Primary Industries Ministerial Council. Specific issues dealt with by the Council are detailed below.

Agricultural Trade Issues

Council noted recent achievements in the trade area and welcomed the completion of the final steps necessary for Free Trade Agreements with the United States and Thailand to enter into force on 1 January 2005. They noted efforts being made to promote awareness of the export opportunities opened up by these Agreements and urged Australian agri-food industries to take early advantage of these opportunities. Council also noted developments concerning new bilateral agricultural trade opportunities in Asian markets, particularly with China and the ASEAN group countries.

Council also noted the July WTO Doha Round framework agreement for agricultural reform, which paves the way for the next and final phase of the Doha agriculture negotiations. Council welcomed the success of Australia's WTO challenge (with Brazil and Thailand) to the EU sugar regime.

Drought Policy

Council considered a report from Standing Committee concerning progress addressing issues arising from the Roundtable to simplify EC processes and shifting the emphasis from business support during drought towards preparedness for drought.

Council welcomed progress with the proposed National Production Monitoring System to streamline EC application processes, including the results of the regional case study assessments which successfully demonstrated how the proposed event and production-based system might operate. Council agreed to further consider the implementation of the National Production Monitoring System, including consideration of NPMS as a basis for making automatic EC drought declarations.

Council also supported the improved focus or refinement of programs such as FarmBis to target increased participation in training activities on farm business planning and risk management practices as a priority. Standing Committee was requested to report back to the next Council meeting on further investigation into possible new initiatives to encourage communities and farmers to better prepare for drought, or ameliorate its consequences, including costings.

Exceptional Circumstances Reform – Funding Mechanism

Council noted recommendations proposed by Western Australia for funding reform of future exceptional adverse seasonal events, including the continuation of income relief payments, business support through the joint funding of interest rate subsidies and funding for business through the provision of bilateral agreements between the Australian Government and each State. Council agreed to refer the issue to Standing Committee for consideration.

Australian dairy industry – Current situation

Council noted the findings of the review into the state of the dairy industry in Australia undertaken by the Australian Bureau of Agricultural and Resource Economics (ABARE). The review shows that the current dairy industry situation has arisen as a result of severe drought conditions, lower world prices and lower domestic prices in some States and higher Australian dollar and increased feed grain prices.

While these factors have adversely affected the industry, Council noted that the outlook in the medium to long term remains positive Council agreed that the ABARE study be released.

Layer Hen Welfare

Council considered the impact of its earlier decision to implement the layer hen welfare reforms agreed at ARMCANZ 18 (August 2000) and agreed that, to reaffirm Council's commitment to implement the layer hen welfare reforms, all jurisdictions commit to introduce legislation giving effect to those decisions, and communicate this commitment to industry.

Council noted the paper prepared by Standing Committee examining the option to provide structural adjustment assistance to those egg producers whose cages do not meet the 1995 Code of Practice. Ministers agreed that the minimum 8 year lead time provided at the time of the 2000 decision was sufficient to allow egg producers to adjust to the new cage standards.

Food Regulation Standing Committee and Ministerial Council

Council noted the outcomes of the Australian and New Zealand Food Regulation Ministerial Council (ANZFRMC) held in May 2004, which noted a number of policy issues relevant to the food production and processing industries. These included: a Policy Guideline for the Fortification of Foods with vitamins and minerals; a review of GM labelling; and the outcomes of a successful Food Policy Stakeholder Forum (30 March 2004, Canberra).

Council also noted the outcomes of ANZFRMC's deliberations on regulating the use of biomarker maintenance claims on food. Council discussed the potential for a more streamlined approach to the regulation of biomarker maintenance claims and agreed to request Health Ministers to support a joint Health/Primary Industries working group to consider a streamlined approach to this issue.

Research – Investment in Primary Industries

Council noted the good progress that is being made by officials from the Australian Government and States and Territories in considering issues that are a key to ensuring Australia's continuing agricultural productivity and competitiveness through effective and well focused R&D.

Council supported the proposal for the convening of a workshop in February 2005 to consider next steps in the development of a more strategic national approach to agricultural R&D. Drawing on the outcomes of this and other work, Council will consider a report on further progress at their next meeting.

Bovine Spongiform Encephalopathy (BSE)

Council noted the significant implications that BSE-related developments continue to have for Australia. Current work being undertaken in Australia to manage BSE risks was discussed and Council agreed that all government parties were satisfactorily meeting their obligations under Australia's ruminant feed ban. Council also agreed to further measures to strengthen existing systems. These measures include ongoing review of the ruminant feed ban and the arrangements for lifetime quarantine of cattle imported from countries that subsequently reported BSE.

Porcine myocarditis

Council noted the progress of investigations into porcine myocarditis (PMC), a new infectious disease of pigs. Council agreed that every effort must continue to be made by jurisdictions including relevant health authorities as well as the Elizabeth Macarthur Agricultural Institute and the Australian Animal Health laboratory, to clarify the cause(s) of this disease. In addition, Council agreed that a draft protocol for the management of incidents where new and/or emergency diseases are suspected be developed by Animal Health Committee.

Emergency Animal Disease Business Plan

Council noted the finalisation of the Emergency Animal Disease (EAD) Business Plan, a management plan coordinating emergency animal disease preparedness activities across all jurisdictions. States and territories are responsible for progressing many of the actions contained within the EAD Business Plan and several State senior officers act as drivers for designated sections. Council agreed that responsibility for ongoing management of the EAD Business Plan should now be transferred to Animal Health Australia, to manage and monitor ongoing implementation of the EAD Business Plan in a timely manner.

National Emergency Preparedness Initiatives

Council agreed to the continuation of the National Emergency Animal Disease Rapid Response Team (RRT) as an integral component of Australia's emergency response arrangements. Council noted the work completed to date in relation to the national communications network and agreed the need for all parties (industry and government) to develop and maintain the number of trained public relations personnel potentially required to staff a large scale emergency response. Council also noted the commencement of a new project aimed at maximising the resources available nationally to prepare for, and respond to, an agricultural pest or disease emergency by more active adoption of an all agencies/all hazards approach to preparedness.

National Information Management Capability for Surveillance, Quarantine, Control and Recovery

Council agreed a way forward to resolve key issues surrounding national information management capability. For some time, it has been recognised that there is a need to implement a better information management application in support of biosecurity, emergency incidents, routine surveillance and market access across the animal, plant and pest incursion sectors.

The agreement will allow for progress towards a complete and integrated solution through a combination of acquisition and development at the State and Australian Government levels. There are three key components to the proposal: a Surveillance, Quarantine, Control and Recovery (SQCR) component, a Client and Resource Information System (CRIS) component and a Resource Management Package (RMP) component. Jurisdictions will continue to work together to integrate these components into a fully functional national capability.

Livestock and Development of Livestock Export Chain Standards

Council noted the inclusive process implemented by the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) to engage stakeholders and experts in the finalisation of the Australian Code for the Export of Livestock and the development of 'initial' Australian Standards for the Export of Livestock for cattle, sheep, goats, camelids, buffalo and deer.

The 'initial' Australian Standards for the Export of Livestock will take effect from 1 December 2004 but will not alter the existing legislative responsibilities of States and Territories on animal health and welfare within their respective jurisdiction.

Council noted that DAFF will finalise stakeholder and public comments on advice from the Livestock Export Standards Advisory Committee (LESAC) by 31 December 2004 and progress *version 1* Australian Standards for the Export of Livestock through Standing Committee for endorsement by the Council in April 2005

The PETA Campaign Against the Australian Sheep Industry

Council noted that PETA (People for the Ethical Treatment of Animals) is targeting users of Australian wool products and is calling on the Australian Government to ban mulesing and the live trade.

Council noted that in response to the PETA campaign the Australian wool industry has developed a communication strategy with nominated key industry spokespersons and an information package for overseas retailers. The Australian Government has issued a statement of support as part of that package. In addition, Council noted that the Australian wool industry has announced it will phase out mulesing by 2010.

Council also noted that the Animal Welfare Working Group of Primary Industries Standing Committee is urgently reviewing the Mulesing guidelines in the *Model Code of Practice for the Welfare of Animals – the Sheep*. Council endorsed the need for each jurisdiction to ensure its approach to mulesing is consistent with the revised Mulesing guidelines.

Funding For Eradication Of Citrus Canker

Council discussed proposed funding for eradication of citrus canker in Queensland. Council members agreed to the budget of \$10.9 million for the response to the current outbreak, subject to agreement by jurisdictions. Council endorsed the current national approach to eradication and cost-sharing.

Citrus Canker – Transitional Adjustment Issues

Council acknowledged difficulties being experienced by the citrus industry in Queensland due to recent citrus canker outbreaks. Council noted the formation of a working group to consider options addressing transitional adjustment issues for affected producers. The working group will deliver a report on this issue by 10 December 2004.

COAG Review of Ministerial Councils and Revised Processes and Procedures for PIMC

Council noted changes agreed by the Council of Australian Governments (COAG) to the protocols and principles for the operation of Ministerial Councils and agreed to revised processes and procedures for Council and its Standing Committee.