### Part 3

**Report on performance**

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<th>Overview of the performance framework</th>
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</table>
The department had two planned outcomes and 15 programs in 2012–13, as set out in Table 1. There were no changes to this structure during the year.

Our divisions worked individually and together to deliver planned outcomes. Our corporate divisions contributed to departmental performance and support for the minister and parliamentary secretary through enabling activities, which are reported on in Part 2: Overview and Part 4: Management and accountability.

Table 1 Outcomes and programs in 2012–13

Outcome 1
More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.

<table>
<thead>
<tr>
<th>Program</th>
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<tbody>
<tr>
<td>1.1 Tackling climate change</td>
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<td>1.2 Sustainable management—natural resources</td>
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<td>1.3 Forestry industry</td>
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<td>1.9 Meat and livestock industry</td>
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<td>1.10 Agricultural resources</td>
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<tr>
<td>1.11 Drought programs</td>
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</tbody>
</table>
Outcome 2
Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

Our performance
The sections that follow report on our performance against the key performance indicators set out in the Portfolio budget statements 2012–13.

The report for each program provides a narrative review of our progress toward achieving program objectives, as well as tables showing our performance against targets for specified key performance indicators.

Our people: This picture of an alpaca farmer at Braidwood in New South Wales was the winning image in the Our People category of the 2013 DAFF Photo Competition.
Photo: Lawrence Gardner
Program 1.1: Tackling climate change

Program objectives

- to strengthen the capacity for primary producers to adapt and adjust to a changing climate while maintaining productivity
- Australian farmers and land managers participate in, and benefit from, the carbon crediting scheme by generating carbon offset credits that can be sold in domestic and international carbon markets.

Program description

The Securing a Clean Energy Future plan aimed to reduce greenhouse gas emissions and drive investment in renewable energy. DAFF worked through the Carbon Farming Futures program to support advances in land management for emissions reduction, while maintaining productivity.

Our support of research, on-farm trials and extension and outreach activities helped farmers and land managers benefit from the Carbon Farming Initiative (CFI), by providing options to reduce their greenhouse gas emissions and/or sequester carbon in the landscape. More information is available at daff.gov.au/climatechange.

ABARES provided high-quality scientific and economic research to enhance the understanding of the carbon offsets market and to support the implementation of the CFI. The timely research is peer-reviewed and published in various reports available at daff.gov.au/abares/publications.

We worked with the Department of Human Services (DHS) to provide access to the Transitional Farm Family Payment (TFFP). This payment helps families who are experiencing financial difficulty to manage the impacts of climate variability and market fluctuations. The payment will be available to farm families until 30 June 2014 or until the TFFP program funds are fully expended (whichever occurs first).

We also oversaw the Rural Financial Counselling Service’s delivery of TFFP case management services. Under the existing program guidelines, all TFFP recipients are required to work with a rural financial counsellor to develop and implement an action plan to improve their long-term financial security. More information is available at daff.gov.au/agriculture-food/drought/assistance/tffp.
### Key performance indicators

**Table 2 Program 1.1—Tackling climate change—key performance indicators**

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<tbody>
<tr>
<td><strong>Carbon Farming Initiative (CFI)</strong></td>
<td></td>
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</tr>
<tr>
<td><em>Landcare Communications</em>—timely communication to farmers and land managers about the CFI and the benefits of participation*</td>
<td>Regional Landcare Facilitators Forum—168 activities across natural resource management regions a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><strong>Clean Energy Future—Creating Opportunities on the land—extending the benefits of the Carbon Farming Initiative</strong></td>
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<tr>
<td><em>Filling the Research Gap</em>—support large-scale collaborative research projects with cross-sectoral application*</td>
<td>Minimum of 12 projects</td>
<td>Met</td>
<td>Met</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><em>Action on the Ground</em>—support landholders to undertake on-farm projects to trial and demonstrate practices and technologies, to reduce agricultural greenhouse gas emissions or to sequester carbon in soil*</td>
<td>Minimum of 45 projects</td>
<td>Met</td>
<td>Met</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><em>Extension and Outreach</em>—provide coordinated and consistent technical information and support to farmers and land managers to increase knowledge of and enable participation in the CFI and carbon farming*</td>
<td>Establish national network of extension officers a</td>
<td>Partially met (see page 33)</td>
<td>Met</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td><strong>Transitional Farm Family Payment (TFFP)</strong></td>
<td></td>
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<tr>
<td>Claims processed in accordance with the agreement with the Department of Human Services, which includes a specific level of timeliness and accuracy of payments and communication between agencies</td>
<td>95% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Rural Financial Counselling Service (RFCS) case manage TFFP recipients to develop an action plan to improve self reliance, preparedness for changing economic and climatic conditions and long-term financial security</td>
<td>100% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Scientific and economic research</strong></td>
<td></td>
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<tr>
<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>85% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
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</table>

a New performance indicator.
Achievements

Delivering the Carbon Farming Initiative

We worked with the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education to develop opportunities for agriculture and commercial forestry under the CFI. ABARES conducted ‘common practice’ assessments for a range of agricultural and forestry activities, supporting the development of the ‘positive list’ of CFI eligible activities and methodologies.

Nine methodologies were approved for agriculture-related activities. Farm forestry and establishing long-rotation hardwood plantations were also approved as eligible activities under the CFI. We worked with industry bodies and state forestry organisations to finalise a methodology for long-rotation hardwood plantations.

CFI communications

In 2012–13, 53 natural resource management region organisations participated in the CFI communications program. Regional Landcare Facilitators delivered more than 400 communication activities about the CFI. Information about the CFI and the opportunities it is creating for Australian agriculture reached more than 18 000 primary producers, landholders, foresters, extension officers and local communities.

Filling the Research Gap

In April 2013, 31 multi-year projects shared in almost $30 million in funding under Round 2 of the Filling the Research Gap program. The Round 2 projects built on and complemented 57 research projects that were funded under Round 1 of the program in 2011–12.

Around Australia, 55 partner organisations are undertaking these projects, whose research outcomes will support the development of offset methodologies under the CFI. Partner organisations include state government departments, research and development corporations, universities, private industry and international organisations.

Supporting Action on the Ground

Under Round 1 of the Action on the Ground program more than 150 project partners and 400 properties are participating in on-farm trials. The trials aim to validate approaches to agricultural greenhouse gas abatement, by taking research outcomes and trialling these in real farm operations. Outcomes from projects will assist in the development of CFI offset methodologies.

The 59 Round 1 projects, receiving up to a total of $25.2 million in funding, have communicated ongoing activities, results and analyses through more than 110 workshops/field days and 90 project-specific publications since their commencement in June 2012.

Round 2 of the Action on the Ground program closed in May 2013, with 138 applications received. Round 2 aimed to invest up to $19.1 million in new projects commencing in 2013–14.

Helping industry tackle climate change

In November 2012, competitive grants funding from 2012–13 to 2016–17 was made available through the Extension and Outreach program.

In April 2013, the first 24 projects received a total of $21.3 million in funding under the program. These projects began in May 2013 to benefit some of Australia’s largest agricultural industries, including livestock, dairy, horticulture, cotton and grains, as well as fertiliser users, agricultural advisors and young farmers.
With the first projects underway, the program’s target to establish a national network of extension officers is on track. The second assessment phase for the program closed in June 2013, with 91 applications received.

The department’s target for this key performance indicator was ‘partially met’ in 2012–13.

**Supporting farming families**

We continued to work with DHS to ensure eligible farmers were able to access financial support under the Transitional Farm Family Payment program. In 2012–13, a total of 743 farmers received the payment.

We also managed the transition of eligible farmers to the TFFP from the Transitional Income Support and Farm Family Support programs, the latter of which was trialled as part of the Western Australia pilot of drought reform measures. Both of these programs, which closed in 2011–12, included payment recipients who had received less than 12 months of assistance, who were eligible for further support under the TFFP.

Rural financial counsellors provided case management support to 640 TFFP recipients. Counsellors assisted the recipients in developing an action plan to improve their long-term financial position.

**Scientific and economic research**

**Carbon Farming Initiative**

In August 2012, ABARES released its proposed common practice framework for the CFI additionality test. Using the framework and in-house expertise, ABARES conducted a series of high-quality common practice assessments for the then Department of Climate Change and Energy Efficiency. These assessments covered a wide range of forestry and agricultural activities and practices including conservation tillage and stubble retention for a range of farming activities.

In March 2013, ABARES released a study on the technical and economic abatement potential of the Australian agricultural sector under the CFI. The report suggests many abatement technologies and strategies are technically feasible, but that cost-effectiveness is the most important factor in ensuring any strategy is widely adopted. Manure management on large-scale piggeries is one of the most prospective technologies for low-cost abatement activities.

**World leading research**

The expertise of ABARES officers in integrated research has been recognised with one of our staff selected as a lead author for the Fifth Assessment Report of Working Group III of the Intergovernmental Panel on Climate Change (IPCC). Dr Helal Ahammad, Assistant Secretary of the ABARES Climate Change and Variability Branch, is contributing to Chapter 11 on ‘Agriculture, Forestry and Other Land Uses’.

The IPCC is the leading body assessing climate change. Dr Ahammad’s IPCC engagement offers valuable opportunities to share ABARES research and interact with the world’s leading climate change experts and decision-makers. This also brings valuable experience and policy insights to bear on ABARES research and policy advice in the area.

The Fifth Assessment Report *Mitigation of Climate Change* is scheduled to be completed in April 2014.
Challenges

A key challenge for the CFI Communications and Extension and Outreach programs was ensuring that the information provided meets the needs of individuals and businesses across Australia’s wide-ranging agricultural industries. We worked closely with our partner agencies, researchers, extension providers, farmers, land managers and others to produce, facilitate and manage communication in a way that is meaningful and practical for our stakeholders.

For the Filling the Research Gap program, the challenge was to ensure the ongoing national coordination of research themes across the program to reduce duplication of research and improve the overall research outcomes of the program.
Program 1.2: Sustainable management—natural resources

Program objectives

- strengthen the capacity for primary producers to use sustainable natural resource management practices in a changing climate
- strengthen the national approach to weed and pest animal management and research.

Program description

The department provided policy advice and managed programs aimed at sustainable agricultural production. We also worked with other agencies and stakeholders to support national approaches to environmental and natural resource management issues, including sustainable agriculture, soil, water and native vegetation policies.

Caring for our Country, the key initiative managed under this program, was launched in July 2008 to achieve an environment that is healthier, better protected, well-managed and resilient, and that provides essential ecosystem services in a changing climate.

More information about Caring for our Country is available at nrm.gov.au.

We delivered the Australian Government’s support to Landcare, which undertakes community-based projects across Australia to raise awareness of sustainable land management practices.

The department also worked through ABARES with CSIRO and state and territory agencies to develop scientific and economic information about natural resource management. This information builds awareness and understanding of natural resource management issues and assists to develop cost-effective solutions to priority natural resources issues.

More information is available at daff.gov.au/natural-resources.
## Key performance indicators

### Table 3 Program 1.2—Sustainable management—natural resources—key performance indicators

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<tbody>
<tr>
<td>Effective design and implementation of the next phase of the Caring for our Country program to help create a better managed and more resilient environment providing essential ecosystem services</td>
<td>Stakeholders engaged in program design&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Support the national network of 56 Regional Landcare Facilitators to enable delivery of information and advice to Landcare groups and farmers</td>
<td>100% of milestones met&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Support the Australian Landcare Council to provide advice on natural resource management and Landcare</td>
<td>Four meetings&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Effective implementation of the government response to final review of the Environment Protection and Biodiversity Conservation Act 1999</td>
<td>More streamlined delivery of regulation&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Partially met (see page 40)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Develop an effective cross-sector research, development and extension strategy on soils</td>
<td>Stakeholders engaged in draft strategy&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Improve the quality and extent of national data on soils and land management practices</td>
<td>Implement data improvements&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Partially met (see page 40)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Increase the number of land managers, primary producers and fishers who have improved their knowledge and skills in natural resource management and adoption of sustainable management practices</td>
<td>&gt;8400 farmers&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Expected to be met&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Increase the number of primary producers who have adopted activities that contribute to the conservation and protection of biodiversity</td>
<td>&gt;1675 farmers&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Expected to be met&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Further increase the number of hectares of land that are under cropping, horticulture and grazing with improved practices</td>
<td>&gt;23 500 hectares&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Expected to be met&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Increase the number of commercial fishers who have improved practices to optimise sustainability</td>
<td>&gt;85 fishers&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Expected to be met&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Not met</td>
<td>Not met</td>
</tr>
<tr>
<td>Provide best practice governance training for regional natural resource management (NRM) bodies to increase their capacity to deliver Caring for our Country outcomes</td>
<td>Training and assessment provided across 85% of NRM regions&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
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</table>

<sup>a</sup> Stakeholders engaged in program design

<sup>b</sup> Expected to be met

<sup>c</sup> Not met
--- | --- | --- | --- | --- | ---
Allocate and deliver funds for Caring for our Country and Landcare | 100% a | Met | – | – | –

Scientific and economic research

Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality | 85% a | Met | – | – | –

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a New performance indicator. b This indicator was changed in 2012–13 to be more than the previous target. c The Caring for our Country 2012–13 Report Card is expected to be finalised in October 2013.

Achievements

Caring for our Country

Preparing Phase 2

In March 2013, the minister announced the strategic directions for the new Sustainable Agriculture stream of Caring for our Country, to commence from July 2013. Phase 2 of Caring for our Country was the result of a comprehensive consultation process that included a national forum, more than 50 meetings in states and territories, online discussions, videos, polls and written submissions on a range of discussion papers.

We completed the final year of Phase 1 with more than $2.1 billion in funding. This was the culmination of five years of investment to assist natural resource management (NRM) groups, industry, community groups, Indigenous communities and landholders to protect and conserve our natural resources.

Supporting sustainable farming

During the year we approved 31 projects targeting sustainable farm practices. These aimed to deliver adoption of improved practices by more than 29 000 farmers over more than 5 million hectares and by more than 1500 fishers.

We also engaged NRM groups, industry, research and development corporations and state and territory governments to develop the new Innovation Grants Program, which was launched in June 2013. The program was designed to provide grants of up to $1.5 million for projects promoting the uptake of new practices and new technology, as well as institutional and market-based approaches that increase the adoption of sustainable production practices.

Building community skills

We approved Community Action Grants worth more than $2.4 million to help 140 groups conserve and protect their natural environment and support sustainable farming. Funding of $5.9 million was also provided for 50 new projects to build the capacity of farmers to adopt land management practices to improve soil condition and on-farm biodiversity conservation.

In May 2013, funding of more than $10.7 million was made available under the new Community Landcare Grants program. The program was designed to provide grants from $5000 to $50 000 for 242 projects that contribute to the new Sustainable Agriculture stream’s outcomes.
**Supporting regional natural resource management**

From 2013–14, investment in Australia’s natural resource management will provide regional NRM organisations with funding that allows these organisations to continue to carry out their work to make a real difference to our agricultural landscape and environment.

**Reef rescue**

We worked with the Department of Sustainability, Environment, Water, Population and Communities (DSEWPAC), Queensland Government agencies and other stakeholders to develop a renewed reef rescue program. We will continue to support activities to improve the quality of water entering the Great Barrier Reef, by helping agricultural land managers across the reef catchment adopt improved land management practices to reduce the discharge of nutrients, sediments and pesticides.

**Landcare**

**Facilitating Landcare**

Regional Landcare Facilitators in each of the natural resource management regions have supported more than 50,000 farmers and land managers to improve their knowledge and skills in managing our natural resources and the environment. Facilitators have also played an important role in communicating the Carbon Farming Initiative (see Program 1.1, page 32).

An evaluation of the Regional Landcare Facilitator initiative found it has led to improved servicing of Landcare and other regional community needs. Landcare stakeholders endorsed the continuation of the role. The evaluation is available at daff.gov.au/natural-resources/landcare/facilitators.

With support from the Australian Government, the National Landcare Facilitator conducted a survey in 2012 to investigate the health of the Landcare movement. The survey found that the movement is firmly embedded in the culture of Australian farming, with 93 per cent of farmers saying they used Landcare practices on their farms and 73 per cent feeling they are part of the Landcare movement.

**Australian Landcare Council**

In 2012, the Australian Landcare Council commissioned a project to study the benefits of Landcare and natural resource management. The council hopes a strong case will emerge for increased co-investment in the Landcare program and natural resource management and greater collaboration across government and the community.

The council also commissioned research to investigate the successes and barriers to Indigenous land management. This work recognises that investment in Indigenous land management contributes to the Closing the Gap initiative on the health and socio-economic status of Indigenous communities, and also contributes to the capacity of Landcare. The report was launched at the inaugural World Indigenous Network conference in Darwin in May 2013.

A highlight for the council during the year was the launch of the Community Call for Action. This is the implementation guide for the Australian Framework for Landcare, which outlines key strategies to strengthen the Landcare approach, and encourages stakeholders to publicly announce their commitment and plans for action to support Landcare.
Supporting national approaches

Building soil health

We provided policy and secretariat support to the parliamentary Working Group on Water, Soil and Food. The working group’s final report in September 2012 emphasised the importance of raising awareness of the role soil plays in meeting national and global challenges.

In October 2012, the former Governor-General, Major General the Hon. Michael Jeffery AC AO (Mil) CVO MC (Retd), was appointed as Australia’s Advocate for Soil Health to the end of 2013.

We provided support to the advocate, including visits to soil projects and community forums across Australia. The department also supported an expert advisory panel to provide technical advice to the advocate and a consultative group, which provided input into the development of soil research and development priorities. We also assisted the advocate to prepare his interim report to the minister. More information is available at daff.gov.au/natural-resources/soils/advocate-for-soil-health.

ABARES also updated national information on ground cover monitoring for Australia, supporting policies and programs on managing soil erosion.
**Australian Collaborative Land Evaluation Program**

We provided funding to CSIRO to improve access to Australian soils data held in the Australian Soil Resource Information System. This included developing an iPad application to provide timely access to soils data. The funding also enabled CSIRO to increase the number of soil samples held in the National Soil Archive and to prepare a report on improving phosphorus management in Australian cropping soils. The department’s target for its key performance indicator to improve the quality and extent of national data on soils and land management practices was ‘partially met’ in 2012–13, as there are limited departmental resources to invest in further soil information.

**Delivering the Native Vegetation Framework and Biodiversity Strategy**

Australia’s Native Vegetation Framework was released in December 2012 and endorsed by all jurisdictions. DSEWPAC is coordinating reporting on implementation of the framework and Australia’s Biodiversity Conservation Strategy 2010–2030, including agriculture, fisheries and forestry activities to manage vegetation and biodiversity. DAFF participated in the development of the strategy.

**Environmental law reform**

DSEWPAC progressed reforms to the Environment Protection and Biodiversity Conservation Act 1999. During the year, it began implementing non-legislative aspects of the reforms, including a greater emphasis on strategic approaches to assessments. DAFF has contributed to the strategic assessments and participates in an interdepartmental committee that allows us to raise any issues affecting our stakeholders. The department’s target for this key performance indicator was ‘partially met’ in 2012–13, as the response has not yet been fully implemented.

**Managing weeds and pests**

Initiatives supporting the strategic management of weeds and pest animals through Caring for our Country, received funding of more than $195 million provided under Phase 1 to the end of 2012–13.

During the year, we provided a further $2 million for projects under the Australian Weeds Strategy, including support for national coordinators. We also worked with the Invasive Animals Cooperative Research Centre to provide more effective rabbit biocontrol and continued support for the Tasmanian Fox Eradication Program.

The Australian Pest Animal Research Program, administered by ABARES, concluded on 30 June 2013. Over five years, the program funded 38 pest animal research projects worth around $3.5 million. The program’s achievements included developing and extending current knowledge of pest animals, producing guidelines and extension information for best practice and integrated strategic approaches to pest animal management and control in Australia, and enhancing knowledge, skills and capacity of land managers about pest animals and their impacts.

Work continued to reduce the impact of feral camels on environmental assets, pastoral businesses and remote Indigenous communities. Subject to continuing favourable weather conditions, the Feral Camel Management Project, managed by Ninti One, estimates that at the end of the project camel density will be at or below target levels in approximately half of the 18 priority areas and significantly reduced in remaining areas.

**Scientific and economic research**

In November 2012, ABARES published a report on native vegetation management on agricultural land. The aim of the project was to understand the drivers and barriers to native vegetation management and attitudes toward existing policy and programs. This work informed the development of the Native Vegetation Framework (see above) and will assist policy-makers and the broader agriculture community to understand the role of farmers in managing native vegetation in the future.
Challenges

Caring for our Country

Phase 1 of Caring for our Country was a joint initiative with DSEWPAC, formalised through a memorandum of understanding. Phase 2 was designed to be delivered through two streams: Sustainable Agriculture, managed by DAFF; and Sustainable Environment, managed by DSEWPAC.

There is a strong commitment from DAFF and DSEWPAC to continue working together as the government invests in Australia’s natural resource management.

Landcare

A significant challenge for Landcare and other community natural resource management groups is the increasing average age of their members. The 2011 Landcare Volunteering Survey Report found the average age of Landcare volunteers is 50.

Landcare is also facing social change among volunteers in the broader community. Volunteering Australia reports that people aged 35–44 and 65–74 are more likely to volunteer than those in other age groups, while Australians want meaningful roles and greater flexibility in how and when they volunteer.

To help Landcare meet changing trends, Caring for our Country has offered assistance to increase community skills, knowledge and engagement. During the year, we funded the In Safe Hands project, which offers work health and safety training to Landcare and community groups. These investments recognise that strengthening community capacity is vital to sustaining community-based natural resource management.

Weeds and pests

Programs to control and eradicate weeds and pest animals operate in a contested and volatile policy environment. While DAFF seeks to develop evidence-based options, stakeholder and community values and attitudes are also important.

We seek to engage key industry stakeholders, such as research and development corporations, which can deliver greater research for biocontrol measures, and mining enterprises, where weeds and pest animals may have little impact on their core business but can significantly affect adjoining landholders.

Current fiscal and resource constraints across jurisdictions pose challenges to establishing a national and proactive approach to weed and pest animal management issues.

We pursued collaborative approaches through national coordinating bodies such as the Australian Weeds Committee and the Vertebrate Pests Committee. We also increased our engagement with industry, including miners, through activities to look at better and more cost-effective ways to reduce the spread of invasive weeds and the development of a National Invasive Plant Surveillance Framework.
Program 1.3: Forestry industry

Program objective

- foster and enable productive, profitable, internationally competitive and sustainable Australian forest and forest products industries.

Program description

We supported the ecologically sustainable management of Australia’s forests through administering 20-year regional forest agreements (RFAs) between the Australian Government and four states: New South Wales; Victoria; Western Australia; and Tasmania.

DAFF worked closely with Australia’s forest and forest products industries, and through strategic international bilateral and multilateral engagement, to promote sustainable forest management.

We are also responsible for national and international measures to combat illegal logging and its associated trade.

More information is available at daff.gov.au/forestry.

Key performance indicators

<table>
<thead>
<tr>
<th>Table 4 Program 1.3—Forestry industry—key performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key performance indicator</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Engage peak industry bodies through the Forest and Wood Products Council and state and territory departments through the Forestry and Forest Products Committee</td>
</tr>
<tr>
<td>Engage states on intent and performance of Regional Forest Agreements (RFAs) monitoring, compliance and review to ensure continued effectiveness in sustaining Australian forests and the forest products industries</td>
</tr>
</tbody>
</table>
Program 1.3: Forestry Industry

Key performance indicator

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Agree process for extending the duration of RFAs</td>
<td>Process agreed with Tasmania, Victoria, New South Wales and Western Australia (^a)</td>
<td>Not met (see page 47)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Process in place to combat illegally logged timber entering the Australian market</td>
<td>Develop subordinate legislation (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Timely completion of the final phase of the Asia–Pacific forestry skills initiative</td>
<td>Grants finalised Program reviewed (^a)</td>
<td>Not met (see page 48)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>All levy funds paid to Forest and Wood Products Australia (FWPA)</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td>Engage with FWPA to ensure compliance with statutory funding agreement and relevant legislation and to discuss industry activities</td>
<td>Two meetings (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Timely finalisation of a new statutory funding agreement</td>
<td>Consult with portfolio industries (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**Scientific and economic research**

- Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality
  - 85% \(^a\)
  - Met
  - –
  - –

\(^a\) New performance indicator.

**Achievements**

**Sustainable forest management**

**Regional Forest Agreements**

We continued to work with the four RFA states to progress reviews of their agreements. In Western Australia, we worked on a review of the first and second five-yearly periods. In New South Wales and Victoria, we worked on finalising joint government responses to the recommendations arising from completed RFA reviews. In Tasmania, we initiated discussions on the third five-yearly review.

No RFA review reports were tabled in Parliament in 2012–13, as five-yearly RFA reviews were not completed for Tasmania or Western Australia. The third five-yearly review for Tasmania was delayed pending the outcomes of the Tasmanian Forests Intergovernmental Agreement. Documentation for the joint first and second five-yearly review of the Western Australia RFA is being finalised and public consultation is planned for the second half of 2013.

The department’s target for this key performance indicator was ‘not met’ in 2012–13.
ABARES continued to work with state and territory agencies to prepare *Australia’s state of the forests report 2013*. The report will be a comprehensive source of information for national and regional monitoring and reporting on all of Australia’s forests.

**Tasmanian Forests Intergovernmental Agreement**

We continued to work with our Australian Government counterparts to support a community-led process to respond to restructuring in the Tasmanian public native forest industry. These processes were supported through the Tasmanian Forests Intergovernmental Agreement signed in 2011 by the Prime Minister and the Tasmanian Premier.

The community organisations finalised the Tasmanian Forest Agreement 2012 in November 2012. In line with the intergovernmental agreement, the Tasmanian Government introduced legislation to give effect to the proposed wood supply volumes and conservation reserves. The legislation was passed in April 2013.

In May 2013, the Prime Minister and the Tasmanian Premier signed the Tasmanian Forests Intergovernmental Agreement 2013, building on the earlier intergovernmental agreement and the community-based Tasmanian Forest Agreement 2012. We contributed to developing several elements of the agreement and provided advice about retiring industry capacity to match reduced wood supply volumes from timber production in public native forests.

The Australian and Tasmanian governments also signed a national partnership agreement, committing the parties to work together to implement the funding commitments in the intergovernmental agreement.

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**Farm Forestry:** This picture of a Northern Rivers forestry farm in New South Wales was the winning image in the Our Resources category of the 2013 DAFF Photo Competition.

Photo: Lucie Blom
Working with the forest industry

Forest and Wood Products Council

The Forest and Wood Products Council met in August 2012 and April 2013 to receive updates on the progress of the government’s election commitments and to discuss forest and forestry policy matters. The council is undertaking a strategic planning process based on recommendations made in the consultant’s report Priorities for an Australian Forest and Wood Products Industry Plan.

Forest and Wood Products Australia

We worked with Forest and Wood Products Australia (FWPA) to finalise a new statutory funding agreement for 2012–2017. The new agreement incorporates recommendations following an independent performance review and enhanced governance arrangements.

Following consultation with industry, FWPA is shifting its focus to industry promotion and market development. Industry has deferred longer term research and development programs until it is in a stronger position to invest in these areas.

National Indigenous Forestry Strategy

We continued to support the National Indigenous Forestry Strategy through a national coordinator, whose role is to facilitate partnerships between Indigenous groups, forestry companies, training organisations and state forestry agencies. Mapping projects were undertaken to help two Indigenous communities manage their forest resources.

Action on illegal logging

The Illegal Logging Prohibition Act 2012 came into effect in November 2012. It is now a criminal offence to import illegally logged timber and timber products into Australia or to process Australian raw logs that have been harvested illegally.

We worked closely with key governments, domestic and international industry bodies and non-government organisations to draft the Illegal Logging Prohibition Amendment Regulation 2013 to support the Act. The regulation will require importers of regulated timber products and domestic processors of raw logs to undertake due diligence from 30 November 2014. The development of the regulation was a commitment to our stakeholders and was supported by expert advice, industry research and ABARES analysis of trade statistics.

We consulted widely with stakeholders on the progress of the new laws, both domestically and internationally. This included consultation in Australia’s states and territories, public seminars in Indonesia, Malaysia, Papua New Guinea and New Zealand and presentations to the Asia–Pacific Economic Cooperation forum, the International Tropical Timber Organisation (ITTO) and Chatham House.

Regional and international cooperation

Regional capacity building

In December 2012, the minister and the parliamentary secretary announced the Illegal Logging Regional Capacity Building Partnership. The partnership, supported through the International Forest Carbon Initiative, focuses on building capacity in the Asia–Pacific region to implement timber legality systems. It provided $2 million to support competitive projects through the ITTO’s Thematic Programme on Forest Law Enforcement, Governance and Trade.

A further $6 million was provided to The Nature Conservancy to support the second phase of the Responsible Asia Forestry and Trade initiative, comprising 118 activities across key trading partner countries in the Asia–Pacific region.
International engagement

Australia continued to promote sustainable forestry management through high-level multilateral engagement and within our valued bilateral relationships. In 2012–13, we participated in key sessions at the United Nations (UN) Forum on Forests and the UN Food and Agriculture Organization’s (FAO) Committee on Forestry. We also attended the 48th session of the ITTO Council and met key trading partners in the council’s margins to discuss in greater detail Australia’s work on combating illegal logging.

In March 2013, we hosted a delegation from the Papua New Guinea Forest Authority. We also held discussions with our Indonesian counterparts from the Ministry of Forestry at a meeting of the Australia–Indonesia Working Group on Agriculture, Food and Forestry Cooperation held in Perth in December 2012. In May 2013, we met a delegation from the People’s Republic of China, led by the Asia–Pacific Network for Sustainable Forest Management and, in the same month, supported delegates from China’s State Forestry Administration on a short study mission to Australia.

In August 2012, Australia and New Zealand strengthened ties by signing a formal Arrangement on Combating Illegal Logging and Promoting Sustainable Forest Management. The bilateral arrangement provides a framework for continuing cooperation to tackle the impact of the illegal logging trade on Australia’s and New Zealand’s economies and the environment.

New Zealand’s Associate Minister for Primary Industries, Nathan Guy (left), and the Minister for Agriculture, Fisheries and Forestry, Senator the Hon. Joe Ludwig.

Photo: DAFF
Scientific and economic research

ABARES published *Australia's forests at a glance 2012*, which provided an overview of national information on both the native forest and plantations and their contribution to the economy, and continued to work with state and territory agencies to prepare *Australia's state of the forests report 2013*.

ABARES published two editions of *Australian forest and wood products statistics*, with methodology improvements jointly funded with FWPA. In addition, ABARES published the 2013 update to *Australian plantation statistics*, based on information from the National Plantation Inventory.

Other studies included analysis of Australia’s timber imports in 2007 and 2010, to support the development of illegal logging regulations. ABARES models and forecasts developed in *Preliminary long-term forecasts of wood product demand in Australia* provided a timely outlook for long-term demand for major wood products in Australia. A report on the status of Australia’s forest genetic resources contributed to an FAO global assessment of forest genetic resources.

Challenges

Renewal of regional forest agreements

All RFAs state that the process for extending their duration will be agreed as part of the third five-yearly review process. In 2012–13, only two of the 10 RFAs had third five-yearly reviews due, but neither review was initiated. The reviews of the RFAs for East Gippsland in Victoria, and Tasmania have been delayed pending decisions on consolidating the five Victorian RFAs into a single review and implementing of the Tasmanian Forests Intergovernmental Agreement 2013.

The department’s target for this key performance indicator was ‘not met’ in 2012–13.

Tasmanian forests

The Tasmanian Forests Intergovernmental Agreement included the provision of $45 million for a Contractors Voluntary Exit Grants Program. In 2011–12, the program provided 58 grants to eligible Tasmanian harvest, haulage and silvicultural contractors to help them adjust to the downturn in the forestry industry and the exit of Gunns Limited from native forest logging.

During 2012–13, the Australian National Audit Office (ANAO) undertook a performance audit of the program and found that, despite a challenging delivery environment, the department worked quickly to distribute funding to eligible applicants. However, the ANAO identified areas where DAFF should strengthen its grants administration to better meet the Commonwealth Grant Guidelines (CGGs).

The ANAO made three recommendations to strengthen and improve grants administration processes. We accepted all recommendations and introduced additional training for all staff and external assessors involved in grants management processes, to reinforce the key principles outlined in the newly updated CGGs.

The Senate referred the ANAO’s 2012–13 report and an earlier report on Tasmanian forest industry assistance programs to its Rural and Regional Affairs and Transport References Committee. DAFF is considering the committee’s report, which was released in June 2013. More information is available from the Rural and Regional Affairs and Transport References Committee at aph.gov.au/Parliamentary_Business/Committees/Senate_Committees.
Asia–Pacific Forestry Skills and Capacity Building program

The Asia–Pacific Forestry Skills and Capacity Building program was scheduled to cease on 30 June 2013. As noted in the Annual Report 2011–12, Phase 2 projects planned for Indonesia did not proceed. However, we were able to rapidly refocus $8 million into the Illegal Logging Regional Capacity Building Partnership, a multilateral delivery mechanism that continues to deliver effectively against project objectives.

The Phase 2 projects planned for Papua New Guinea experienced delays on the ground. We worked closely with the project partners, the Papua New Guinea Forest Authority and the FAO, to manage both projects. Together with AusAID we negotiated an extension until September 2013 for the first project, and an extension until May 2014 for the project with the FAO to enable delivery of the delayed project outcomes.

The department's target for this key performance indicator was 'not met' in 2012–13.
Program 1.4: Fishing industry

Program objective

- foster and enable productive, profitable, internationally competitive and sustainable Australian fishing and aquaculture industries.

Program description

We worked closely with the Australian Fisheries Management Authority (AFMA) on issues relating to the management of Australia’s Commonwealth fisheries and collaborated with ABARES in obtaining scientific advice. We also engaged state and territory agencies and consulted a range of stakeholders on national approaches to sustainable management of the fishing industry across jurisdictions.

DAFF represented Australia’s interests overseas to promote responsible fishing practices and combat illegal fishing.

More information is available at daff.gov.au/fisheries.

Key performance indicators

Table 5 Program 1.4—Fishing industry—key performance indicators

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Timely review of the Commonwealth Fisheries Bycatch Policy</td>
<td>Report published a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Develop effective and timely advice on licence cancellation provisions</td>
<td>Advice provided a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Develop effective and timely advice on fisheries accreditations and product labelling</td>
<td>Advice provided a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
## Key performance indicator

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Develop effective and timely advice on Commonwealth fisheries legislative frameworks</td>
<td>Consult stakeholders&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Develop and implement policy and legislative frameworks that support a National Recreational Fishing Strategy</td>
<td>10 projects completed&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Partially met (see page 51)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Briefing papers for international negotiations on fisheries trade and marine conservation prepared in a timely manner</td>
<td>100%&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on fisheries resource sharing issues</td>
<td>Three meetings&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>All levy funds paid to the Fisheries Research and Development Corporation (FRDC)</td>
<td>100%&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with FRDC and the Australian Fisheries Management Authority to ensure compliance with statutory funding agreement and relevant legislation and to discuss industry activities</td>
<td>Two meetings&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

---

**Scientific and economic research**

| Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality | 85%<sup>a</sup> | Met | – | – |

<sup>a</sup> New performance indicator.

### Achievements

#### Reforming fisheries management

The Fisheries Management Review, released in March 2013, was the first review of its kind since the introduction of the *Fisheries Administration Act 1991* and the *Fisheries Management Act 1991*. The review, led by Mr David Borthwick AO PSM, included consultation with commercial fishing, recreational fishing, environmental and government stakeholders, as well as a public submissions process. The department provided secretariat support.

The review found that the management of Australia's Commonwealth fisheries is in good shape but that improvements could be made in policy coverage, transparency and communication with the broader stakeholder base. The minister announced the government’s broad agreement with the review’s recommendations.

Reviewing the Commonwealth Fisheries Harvest Strategy Policy and Guidelines

We completed a review of the Commonwealth Fisheries Harvest Strategy Policy and Guidelines. The review sought to improve the management of commercial species in Commonwealth fisheries, by developing an integrated policy and implementation framework that links with the Commonwealth Policy on Fisheries Bycatch, while supporting fisheries and environmental legislation.

The review considered matters such as target and limit reference points, managing byproduct and data-poor species, rebuilding overfished stocks, optimising economic yield and reporting and transparency. It was informed by a stakeholder advisory committee and government steering committee, ABARES research and a public consultation process.


Reviewing the Commonwealth Policy on Fisheries Bycatch

We completed a review of the Commonwealth Policy on Fisheries Bycatch, as part of the integrated policy and framework with the review of the Commonwealth Fisheries Harvest Strategy Policy and Guidelines. The review was undertaken with support from the Department of Sustainability, Environment, Water, Population and Communities, AFMA, the Fisheries Research and Development Corporation (FRDC) and stakeholders representing commercial fishing, recreational fishing, research, scientific and environmental non-government organisations.

More information is available at daff.gov.au/fisheries/environment/bycatch/review.

Strengthening fisheries laws

Parliament passed legislation to support the ongoing implementation of electronic monitoring (e-monitoring) on Commonwealth fishing boats. The new provisions mean AFMA can direct fishers to carry and operate equipment such as video cameras, sensors and global positioning systems. The data from e-monitoring will produce a more comprehensive and accurate picture of fishing activities and the impact of fishing on other species and the marine environment. The system is expected to generate significant savings for fishers in areas where monitoring requirements are high.

The legislation also strengthens AFMA’s ability to ensure fishing concession holders are responsible for offences committed by the master of the fishing boat or a member of the crew. The changes encourage all fishing concession holders to continue ensuring their crew is well-trained in appropriate fishing practices. The legislation also made minor amendments to make provisions clear, consistent and simpler to administer.

Protecting seabirds

An FRDC funded assessment of seabird interactions in trawl, gillnet and purse seine fisheries was completed in June 2013. We commissioned the assessment in response to the International Plan of Action for Reducing Incidental Catch of Seabirds in Longline Fisheries, which the Food and Agriculture Organization of the United Nations extended to include trawl and gillnet fisheries.

The assessment, which builds on work in 2008 to reduce the incidental catch of seabirds in longline fisheries, identified the nature of the incidental catch of seabirds and the next steps required to develop a national plan of action for seabirds.

Supporting recreational fishers

All 10 of the projects that support the National Recreational Fishing Strategy were contracted out and are being undertaken with varying completion dates; six have been completed and the remaining four are due for completion between October 2013 and mid-2014. This is because of delayed start dates, revised milestones, availability of stakeholders for workshops and issues with the granting of local government permits for the placement of ‘angel rings’ (safety buoys) in fishing blackspots. The department’s target for this key performance indicator was ‘partially met’ in 2012–13.
Strengthening international fisheries management

We were the lead agency for negotiations on a multilateral treaty to strengthen fisheries management in the Pacific region. In November 2012, Australia and the other 16 members of the Pacific Islands Forum Fisheries Agency adopted the ‘Agreement on Strengthening Implementation of the Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement in the South Pacific Region’.

The agreement will play a valuable role in reducing illegal unreported and unregulated fishing, increasing the capacity for sharing intelligence and data to monitor and control the large number of fishing boats in Pacific waters.

Work commenced to enable Australia to sign and ratify the agreement. Australia provided capacity building assistance to a number of Pacific Island countries, to help them prepare for activities under the agreement. Australia is also funding a legal officer position in the Pacific Islands Forum Fisheries Agency to help implement the agreement.

Engaging our region

In January 2013, we led Australia’s delegation to the first meeting of the South Pacific Regional Fisheries Management Organisation. The Australian delegation successfully negotiated adoption of a proposal to prohibit the use of deepwater gill nets and large-scale pelagic drift nets in the high seas areas of the South Pacific Ocean. This was a significant achievement and a clear sign that Australia is serious about promoting sustainable fishing methods and conserving the marine environment.

In the Western and Central Pacific Fisheries Commission, Australia and other Pacific Island Forum Fisheries Agency members successfully advocated an increase in fish aggregating device closures from three to four months of the year, to reduce fishing mortality rates on key tuna species. The commission also accepted an Australian proposal to protect whale sharks from purse seine fishing operations, as well as a stronger measure to protect seabirds affected by fishing operations.

Supporting fisheries management in the Indian Ocean

We continued to lead Australia’s efforts to engage more closely with neighbouring countries to improve the capacity of the Indian Ocean Tuna Commission to manage Indian Ocean fisheries resources. The Australian Government supported a commission workshop to assist coastal states to build skills in fisheries management systems. We also supported and facilitated the Second Indian Ocean Coastal State meeting in Mauritius.

Conserving the southern bluefin tuna

In October 2012, we secured funding from the Commission for the Conservation of Southern Bluefin Tuna for the 2013 scientific aerial survey. The survey, undertaken in the Great Australian Bight, provides independent data for monitoring the global southern bluefin tuna stock. This data informs decisions on total allowable catches through the commission’s management procedure, which aims to rebuild the stock to an interim target of 20 per cent of unfished levels by 2035.

Scientific and economic research

We continued to provide research, analysis and advice to support policy development and inform the fishing industry and stakeholders. This research focused on domestic issues and included technical reports that contributed to the reviews of the Commonwealth Fisheries Harvest Strategy policy and the Commonwealth Policy on Fisheries Bycatch, and a review of cost-recovery in Commonwealth fisheries. ABARES also led our scientific engagement in regional and international fisheries issues.

The annual ABARES fisheries status reports provided an independent evaluation of the biological status of commercial fish stocks and the economic status of fisheries managed or jointly managed by the Australian Government.
In December 2012, ABARES released the *Status of key Australian fish stocks* report, providing the first national assessment of the status of 49 key fish species or species groups across their full distribution ranges, including areas fished by state, territory and Commonwealth fisheries.

The report provides scientific national stock status assessments for species that contribute more than 80 per cent of the value and 70 per cent of the catch volume from Australian fisheries. It is available at fish.gov.au.

**Challenges**

**Large mid-water trawl freezer vessels**

The proposed introduction of the large mid-water trawl freezer vessel *FV Margiris* into the Commonwealth Small Pelagic Fishery attracted significant public attention in the second half of 2012. The debate highlighted changing community expectations of fisheries management.

**Southern Indian Ocean Fisheries Agreement**

We played an important role in the establishment of the Southern Indian Ocean Fisheries Agreement, which came into force in June 2012 following Australia’s ratification. While progress of this agreement remains slow, with members yet to finalise the date and location of their first meeting, Australia continued to work cooperatively with other members to ensure the long-term conservation and sustainable use of fisheries resources in the Southern Indian Ocean. We are working toward the first meeting and an increase in membership as other interested countries join the agreement.
Program 1.5: Horticulture industry

Program objective

- foster and enable productive, profitable, internationally competitive and sustainable horticulture and wine industries.

Program description

We worked with the horticulture industry to support the development of internationally competitive supply chains, removing barriers to international market access for Australian horticultural exports. We also provided assistance in market development to increase consumption of horticulture products and support research and development to encourage industry innovation.


Key performance indicators

Table 6 Program 1.5—Horticulture industry—key performance indicators

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<tbody>
<tr>
<td>Effective policies, programs and regulations that contribute to enhanced productivity, profitability, competitiveness and sustainability</td>
<td>Accurate and timely advice provided (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on horticulture and wine issues</td>
<td>Five meetings (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>All levy funds paid to Horticulture Australia Limited (HAL), Grape and Wine Research and Development Corporation (GWRDC) and Wine Australia</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Timely and effective engagement with HAL, GWRDC and Wine Australia to ensure compliance with statutory funding agreement and relevant legislation and to discuss industry activities</td>
<td>Two meetings each</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
</tbody>
</table>
Report on performance

Key performance indicator

<table>
<thead>
<tr>
<th>Scientific and economic research</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientific and economic research</td>
<td>85% a</td>
<td>Met</td>
</tr>
<tr>
<td></td>
<td>85% a</td>
<td>Met</td>
</tr>
</tbody>
</table>

a New performance indicator.

Achievements

Reforming exports

In December 2012, government decided to remove the horticulture export efficiency powers enabled by the Horticulture Marketing and Research and Development Services Act 2000 and subordinate legislation. The decision was supported by an ABARES review conducted under the guidance of an interdepartmental committee chaired by the department.

The Orders regulating the export of apples, pears and dried grapes to all export markets were revoked on 31 January 2013. The Orders relating to all citrus exports will be retained until 31 January 2015 at the request of the citrus industry. However, the single-importer arrangement for citrus to the United States market has ceased and a Citrus to US Marketing Program established in its place.

The citrus industry program sets a minimum price an exporter will pay to a packer for citrus destined for the United States. The removal of the single importer arrangement will allow Australian exporters to build direct relationships with US retailers and help develop new export opportunities. A regulation impact statement from the Office of Best Practice Regulation is available at ris.finance.gov.au/2013/01/10.

Funding olive industry research

We worked to establish a new statutory levy on olives used in processing (that is, pickled into table olives, pressed into olive oil), which commenced in May 2013. Revenue from the levy, which is payable to Horticulture Australia Ltd (HAL) and Plant Health Australia, aims to support the olive industry to conduct new research and development to improve its productivity, competitiveness and biosecurity preparedness and response.

Supporting the wine industry

We supported the industry’s proposal to merge the Grape and Wine Research and Development Corporation (GWRDC) and Wine Australia Corporation. The peak wine industry bodies, the Winemakers’ Federation of Australia and Wine Grape Growers Australia, lodged a formal submission with the government and we worked with other departments to analyse the proposal and provide advice to the minister.

In December 2012, the minister announced the government’s support for the merger proposal. We have begun working on the transition to the new merged authority by 1 July 2014, with the Grape and Wine Legislation Amendment (Australian Grape and Wine Authority) Bill 2013 and related bills passed by the House of Representatives and introduced into the Senate in June 2013.3

3 This legislation lapsed when Parliament was prorogued on 5 August 2013 ahead of the Federal election on 7 September 2013.
ABARES undertook a national telephone survey of wine grape growers to provide a benchmark analysis of the economic structure and financial performance of the wine grape growing industry. The work will assist stakeholders to develop plans for the future direction of the wine grape growing industry.

**Marketing**

We worked with Wine Australia to ensure new funding of $2.1 million over two years, announced in the 2012–13 Federal Budget, is used effectively to assist with the marketing of Australian wine.

The funds support Australia’s first global wine forum, Savour Australia 2013, to be held in Adelaide in September 2013, and a range of activities in key international markets, including consumer and trade events, retail promotions, tastings, educational initiatives, master classes and sommelier immersion activities.

**International engagement**

We led the Australian delegation to the International Organisation of Vine and Wine (OIV) and attended three meetings in 2012–13. We continue to pursue a reform agenda, with our proposals to increase the OIV’s transparency gaining support from other countries. We have also gained support for a proposal to change the approach to the work of the OIV, to reduce reliance on resolutions and increase its research and advisory role.

Facilitating new market opportunities for horticulture was the focus for one of the projects in DAFF’s 2012 graduate program (see page 124). As part of their training with DAFF, a group of graduates visited Mildura to meet Citrus Australia, the Australian Table Grape Association, growers, exporters and packers. The group was one of 11 teams that presented findings to DAFF’s senior management on policy and program opportunities across our portfolio industries.

**Graduate students (left to right) Sebastian Quinn, Patrick Sachs, Flora Anderson, Benedicto Jose Baquirin, Carly Housley and Saphira Rameshfar in Mildura.**

Photo: DAFF
European Union

We led the Australian delegation to the third meeting of the Australia–European Community Agreement on Trade in Wine Joint Management Committee in March 2013. Matters discussed included the implications of the European Union (EU) seeking to protect the term ‘classic’ for use by the United States, the European Union’s interpretation of derogations in the wine agreement and the protection of geographical indications and rules preventing Australian companies from exporting still wine to the European Union in bulk and transforming it into sparkling wine, despite the fact that EU producers may do so.

Research and development

We worked with the GWRDC to develop its 2012–17 research and development plan. The plan demonstrates that GWRDC’s programs align with the Rural Research and Development Priorities and the National Research Priorities.

Challenges

Horticulture Australia Limited

At the minister’s request, the department worked with HAL to investigate claims by participants in the citrus and avocado industries that conflicts of interest affect the advice offered to the HAL Board by the relevant industry advisory committees. HAL’s report to DAFF largely substantiated the claims and HAL advised a number of preliminary actions it would take to address the investigation’s findings.

Other proposals are being discussed with HAL to ensure good governance of all of HAL’s advisory committees. More information is available at daff.gov.au/agriculture-food/hort-policy.

Australian wine grape growers survey

The Australian Government announced funding of $340 000 in the 2012–13 Federal Budget for ABARES to undertake a benchmark analysis of production and financial performance of the wine grape growing industry. The level of funding was not sufficient for ABARES to conduct face-to-face interviews with wine grape growers across Australia, so the challenge was to develop an alternative methodology for data collection.

ABARES consulted industry peak bodies to design a telephone questionnaire that would encompass 1000 grape growing farms. Telephone interviews are subject to a time limit and this limited the scope of data that could be collected. ABARES surveys are also voluntary and it proved difficult to convince growers in some regions to take part. As a result ABARES has drawn on alternative data sources to help supplement this analysis and the results were scheduled for publication in August 2013.
Program 1.6: Wool industry

Program objective

• foster and enable a productive, profitable, internationally competitive and sustainable wool industry.

Program description

Australia is one of the world’s largest wool growers, producing around 21 per cent of the total wool sold on the world market. We aimed to ensure that industry needs were considered in the development of policy and advice to government. We supported the wool industry to improve its responsiveness to a range of domestic and international issues, including policy and production issues. The department also oversaw the operations of the industry’s research and development body, Australian Wool Innovation, and liaised with industry stakeholders.


Key performance indicators

Table 7 Program 1.6—Wool industry—key performance indicators

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective policies, programs and regulations that contribute to enhanced productivity, profitability, competitiveness and sustainability</td>
<td>Accurate and timely advice provided</td>
<td>Met</td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on wool issues</td>
<td>Five meetings</td>
<td>Met</td>
</tr>
<tr>
<td>Requests under woolpack regulations are actioned in a timely and accurate manner</td>
<td>100%</td>
<td>Met</td>
</tr>
<tr>
<td>All levy funds paid to Australian Wool Innovation Limited (AWI)</td>
<td>100%</td>
<td>Met</td>
</tr>
</tbody>
</table>
### Key performance indicator

<table>
<thead>
<tr>
<th>Timely and effective engagement with AWI to ensure compliance with statutory funding agreement and relevant legislation and to discuss industry activities</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Two meetings</td>
<td>Met</td>
</tr>
</tbody>
</table>

### Scientific and economic research

<table>
<thead>
<tr>
<th>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85%</td>
<td>Met</td>
</tr>
</tbody>
</table>

*New performance indicator.

### Achievements

#### Supporting the wool industry

**Building ties with India**

We worked with the Federation of Australian Wool Organisations on the inaugural meeting of the Australia–India Joint Working Group on Cooperation in the Field of Wool and Woollen Products. We led the delegation to the talks, which provided an opportunity for both governments to identify areas of mutual benefit and cooperation in wool trade and production. The delivery of outcomes from the meeting continues.

**Australian Wool Innovation Limited**

We worked with Australian Wool Innovation (AWI) to finalise a new statutory funding agreement for 2013–16. The new agreement incorporates recommendations from the Rural Research and Development Policy Statement, aimed at increasing transparency and accountability in the research and development corporation model.

The department monitored AWI’s requirement to conduct the 2012 Wool Poll in line with the process outlined in the Wool Services Privatisation (Wool Levy Poll) Regulations 2003. The department also ensured AWI continued to meet its responsibilities under its previous agreement. AWI met all of its statutory obligations during 2012–13.

**Regulating woolpack imports**

Woolpacks are prohibited from being imported into Australia unless permission has been granted by the minister or an authorised person, or the packs have been certified as conforming to the Australian Wool Exchange standard. These regulations reduce the risk of wool contamination from woolpacks.

Importers must demonstrate that woolpacks entering the country will be of a high standard and meet strict industry manufacturing requirements. In 2012–13, we approved more than 20 woolpack requests.
Program 1.7: Grains industry

Program objective

• foster and enable a productive, profitable, internationally competitive and sustainable grains industry.

Program description

We provided advice to the Australian Government, liaising with industry and other stakeholders to support the continued development of the grains industries. We worked to improve market conditions for Australian grains exporters. Our key responsibilities included managing the government’s wheat export reforms, which during 2012–13 included the winding up of Wheat Exports Australia.

More information is available at daff.gov.au/agriculture-food/crops.

Key performance indicators

Table 8 Program 1.7—Grains industry—key performance indicators

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<tr>
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<tbody>
<tr>
<td>Effective policies, programs and regulations that contribute to enhanced productivity, profitability, competitiveness and sustainability</td>
<td>Accurate and timely advice provided a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on grains issues</td>
<td>Five meetings a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Actions relating to wheat marketing implemented in accord with the timetable set out in the legislation</td>
<td>100% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with industry working groups to develop new arrangements for wheat marketing</td>
<td>Two meetings a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>All levy funds paid to the Grains Research and Development Corporation (GRDC)</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
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</table>
Report on performance
Program 1.7: Grains industry

Key performance indicator

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<tbody>
<tr>
<td>Timely and effective engagement with GRDC to ensure compliance with relevant legislation and to discuss industry activities</td>
<td>Two meetings a</td>
<td>Met</td>
<td>–</td>
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Scientific and economic research

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<tbody>
<tr>
<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>85% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
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a New performance indicator.

Achievements

Delivering wheat export reforms

The Wheat Export Marketing Amendment Act 2012 was passed in November 2012. The legislation abolished the Wheat Export Charge and the Wheat Export Accreditation Scheme. Wheat Exports Australia ceased operations on 31 December 2012. We worked closely with the agency before passage of the legislation and during the wind-up phase.

The access test, under which port terminal operators must have access undertakings in place with the Australian Competition and Consumer Commission as a condition for exporting bulk wheat, will continue until at least 1 October 2014. It will be abolished on that date if a mandatory code of conduct for grain export terminals, approved by the minister, is in place.

The committee established by industry to develop the code of conduct has provided a set of principles for the Australian Government’s consideration. These will inform the development of a draft code for public consideration. We participated as an observer at all committee meetings, which were also attended by representatives from major stakeholders.

Supporting industry research and development

The Grains Research and Development Corporation (GRDC) partnered the Western Australian Department of Agriculture and Food to establish the Australian Export Grains Innovation Centre in Perth. The centre will be an independent source of grain quality information, analysis and technical support that will help promote trade of Australian grains.

The department worked with GRDC to develop its 2012–17 research and development plan. The plan demonstrates that GRDC’s programs align with the Rural Research and Development Priorities and the National Research Priorities.

Challenges

Wheat export reforms

An amendment to the Wheat Export Marketing Amendment Act 2012 changed the requirement for removal of the access test. The Act now requires that a mandatory, rather than a voluntary, code of conduct for grain export terminals be in place by 1 October 2014. The change provides an additional challenge in developing the code, as it now requires the making of a regulation under the Competition and Consumer Act 2010.
The Wheat Export Marketing Amendment Act 2012 also required the minister to establish a Wheat Industry Advisory Taskforce by 5 February 2013 to examine and make recommendations to government and industry on issues that may affect the efficient operation of the wheat export supply chain. This was done within the legislated deadline, with the minister announcing the taskforce membership on 1 February 2013.

The taskforce met twice in the first half of 2013 and is focusing its early efforts on issues associated with the delivery of stocks information and wheat quality standards. We provided secretariat support to the taskforce.

The Parliamentary Secretary for Agriculture, Fisheries and Forestry, the Hon. Sid Sidebottom MP, had the opportunity to see a dairy success story, with a visit to Briland dairy farms in Victoria’s Warrnambool region. Since starting up a little over a decade ago, Glenn and Roma Britnell have grown their business to produce more than six million litres of milk a year, and are exporting to overseas markets.

Sid Sidebottom (centre) with Glenn and Roma Britnell at Briland dairy farms.

Photo: DAFF
Program 1.8: Dairy industry

Program objective

- foster and enable a productive, profitable, internationally competitive and sustainable dairy industry.

Program description

Dairy is Australia’s third largest rural industry. We were responsible for policy and programs that address national and international issues affecting Australia’s dairy industry. We worked closely with the industry to improve its responsiveness to the range of domestic and international issues that affect production. We administered dairy quotas to the European Union and the United States. We also undertook policy and program development to encourage industry innovation.


Key performance indicators

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<tbody>
<tr>
<td>Effective policies, programs and regulations that contribute to enhanced productivity, profitability, competitiveness and sustainability</td>
<td>Accurate and timely advice provided</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on dairy issues</td>
<td>Five meetings</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Allocation of quota to dairy industry in accordance with legislation</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td>All levy funds paid to Dairy Australia Limited</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
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Key performance indicator

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<tbody>
<tr>
<td>Timely and effective engagement with Dairy Australia Limited to ensure compliance with statutory funding agreement (SFA) and relevant legislation and to discuss industry activities</td>
<td>Two meetings</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>–</td>
</tr>
<tr>
<td>Timely finalisation of a new SFA</td>
<td>Implement new SFA a</td>
<td>Met</td>
<td>–</td>
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Scientific and economic research

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<tbody>
<tr>
<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>85% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
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a New performance indicator.

Achievements

Building international trade ties

DAFF and Dairy Australia attended the fifth Australia–China dairy talks in Beijing in August 2012. The talks provided an opportunity to discuss policy, trade and bilateral cooperation in the dairy sector.

We also led the delegation to the 28th Australia–Japan dairy talks in Melbourne in September 2012. Japan is Australia’s largest dairy export market by value. The talks provided an opportunity to discuss the supply of dairy products and trends in consumer preferences. Dairy Australia also participated in the discussions.

Supporting Dairy Australia

We worked with Dairy Australia to finalise a new statutory funding agreement for 2013–17. The new agreement incorporates recommendations from the Rural Research and Development Policy Statement, aimed at increasing transparency and accountability in the research and development corporation model.

Dairy Australia met all of its statutory obligations in 2012–13.
Program 1.9: Meat and livestock industry

Program objective
- foster and enable productive, profitable, internationally competitive and sustainable meat and livestock industries.

Program description
Australia is one of the largest exporters of beef, mutton and lamb in the world and has an innovative, internationally respected pork industry. We were responsible for policy and programs that address national and international issues affecting these industries, as well as engaging state and territory agencies and industry bodies on production, marketing and research and development matters. We also managed the quota arrangements for red meat exports to the European Union and the United States. More information is available at daff.gov.au/agriculture-food/meat-wool-dairy/red-meat-livestock.

Key performance indicators

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<tbody>
<tr>
<td>Effective policies, programs and regulations that contribute to enhanced productivity, profitability, competitiveness and sustainability</td>
<td>Accurate and timely advice provided</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on meat and livestock issues</td>
<td>Five meetings</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Allocation of quota to meat and livestock industry in accordance with legislation</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>All levy funds paid to Meat and Livestock Australia Limited (MLA), Australian Meat Processor Corporation Limited (AMPC) and the Australian Livestock Export Corporation Limited (LiveCorp)</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
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</table>
**Key performance indicator**

<table>
<thead>
<tr>
<th></th>
<th>2012–13 target</th>
<th>Performance</th>
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<tbody>
<tr>
<td><strong>Timely and effective engagement with MLA, AMPC and LiveCorp to ensure compliance with statutory funding agreement and relevant legislation and to discuss industry activities</strong></td>
<td>Two meetings</td>
<td>Met</td>
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</tbody>
</table>

**Scientific and economic research**

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</thead>
<tbody>
<tr>
<td><strong>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</strong></td>
<td>85% a</td>
<td>Met</td>
<td>–</td>
</tr>
</tbody>
</table>

a New performance indicator.

**Achievements**

**Building ties with Japan**

We led the Australian delegation to the 35th Australia–Japan beef talks held in Japan in May 2013. Japan remains one of Australia’s top three beef export markets by value and volume. The talks provided an opportunity for the two governments to discuss the supply of beef products and trends in consumer preferences. Meat and Livestock Australia (MLA) also participated in the discussions.

**Improving meat quota management**

We implemented improvements from the independent review of the European Union’s high-quality beef quota scheme conducted in 2011. Further information about the review is available at daff.gov.au/agriculture-food/meat-wool-dairy/quota/eu-beef-quota-review.

We commenced an in-house review of the European Union’s sheepmeat and goatmeat quota scheme.

**Supporting industry research and development**

The department worked with MLA to finalise its 2012–16 statutory funding agreement. The new agreement incorporates recommendations following an independent performance review and enhances the MLA’s governance arrangements.

All the industry-owned companies in this program met the requirements of their statutory funding agreements in 2012–13.

**Challenges**

**European Union meat quota**

We worked with the Australian Meat Industry Council (AMIC) to resolve issues around the fair and equitable allocation of the European Union *erga omnes*, or global, sheepmeat and goatmeat quota to Australian exporters.

In 2012, the European Union made available a 200 tonne *erga omnes* quota for sheepmeat and goatmeat. While the European Union manages the *erga omnes* quota, we administer its 19 186 tonne country-specific sheepmeat and goatmeat quota scheme. Administration costs are recovered from the industry.
In July 2012, AMIC advised it had resolved that shipments against the *erga omnes* quota should be included in the performance for calculating exporter quota allocations under the country-specific quota. We found we could not comply with this directive and negotiated new arrangements with AMIC, to best meet industry requirements while ensuring the equitable allocation of quota. Future handling of the *erga omnes* quota will be considered in the review of the sheepmeat and goatmeat quota scheme.

**Industry advocacy**

We worked with the industry-owned companies and peak industry councils on the separation between policy development and advocacy, and what activities are appropriate for funding through the research and development and marketing levies. Much of this work revolved around the Cattle Council of Australia’s discussion with its members on the use of marketing levies for advocacy activities.

We advised MLA, the Cattle Council and other peak industry councils on the Australian Government requirements for a services agreement between the bodies.
Program 1.10: Agricultural resources

Program objectives

- foster and enable productive, profitable, internationally competitive and sustainable primary industries, including food industries
- improve animal welfare outcomes, including for the export of livestock, by coordinated action at the national and international levels
- support the National Registration Scheme for Agricultural and Veterinary (agvet) Chemicals.

Program description

This is a wide-ranging program that encompasses key policy areas for our industries. Under this program, we were responsible for policy advice and stakeholder engagement in areas including water reform, agricultural productivity, capitalising on new technologies and building a skilled rural workforce.

We were responsible for delivering regulatory reforms for livestock exports to ensure animal welfare requirements are met throughout the supply chain, as well as working with industries and other stakeholders on broader animal welfare issues. More information is available at daff.gov.au/liveexports.

We led the development of the National Food Plan, which was launched in May 2013. The department was responsible for supporting Australia’s food security, including maintaining and improving Australian and international food standards. We also worked with the Australian Pesticides and Veterinary Medicines Authority (APVMA) to ensure continued protection of human health and the environment. More information is available at daff.gov.au/agriculture-food.

Through ABARES, we provided professionally independent, world-class multi-disciplinary research, analysis and advice to inform decision-makers within DAFF and other government departments, industry and private sector stakeholders on significant issues affecting Australia’s agriculture, fisheries and forestry industries. More information is available at daff.gov.au/abares.
### Key performance indicators

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<tr>
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</thead>
<tbody>
<tr>
<td>Effective policies, programs and regulations that contribute to enhanced productivity,</td>
<td>Accurate and timely advice provided</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>profitability, competitiveness and sustainability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engage with domestic and international stakeholders on industry issues</td>
<td>Five meetings</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Timely development of a National Food Plan</td>
<td>Publish Food Plan</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Effective and timely contribution to amendments to Australia and New Zealand Food</td>
<td>Contribute to Food Standards Code</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Standards Code</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timely publication of annual Australian Food Statistics report</td>
<td>Publish in February</td>
<td>Met</td>
<td>Partially met</td>
<td>Met</td>
</tr>
<tr>
<td>Timely development and implementation of the strategy and the associated actions for</td>
<td>Finalise strategy</td>
<td>Partially met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>research and development</td>
<td>Implement actions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective engagement with states and territories to delivery productivity workplan</td>
<td>Deliver productivity workplan</td>
<td>Partially met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Work with jurisdictions on the development of priority national welfare standards</td>
<td>100%</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Provision of funding to continue implementation of the Australian Animal Welfare</td>
<td>100% of funds committed</td>
<td>Met</td>
<td>Met</td>
<td>–</td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
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<tr>
<td>Improve assistance to official development assistance eligible countries that import</td>
<td>5–7 projects</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>livestock from Australia by providing training and improving their capacity to implement</td>
<td></td>
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<tr>
<td>OIE animal welfare standards</td>
<td></td>
<td></td>
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<tr>
<td>Maintain effective distribution of funding to help deliver improved animal welfare</td>
<td>100% of available funds distributed</td>
<td>Partially met</td>
<td>Met</td>
<td>–</td>
</tr>
<tr>
<td>outcomes in existing and new approved supply chains</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Work with the Australian Pesticides and Veterinary Medicines Authority (APVMA) to</td>
<td>Implement APVMA reforms</td>
<td>Partially met</td>
<td>–</td>
<td>–</td>
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<tr>
<td>implement reforms to its systems and processes in a timely manner in accord with</td>
<td></td>
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<td>legislation</td>
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*Note: Met means the target was met. Partially met means the target was not met, but progress was made. See page for further details.*
<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress reforms to the national agvet chemicals system in partnership with the states and territories</td>
<td>Implement reforms</td>
<td>Partially met (see page 76)</td>
</tr>
<tr>
<td>All levy funds paid to portfolio agencies</td>
<td>100%</td>
<td>Met</td>
</tr>
<tr>
<td>Timely and effective engagement with portfolio agencies to ensure compliance with statutory funding agreement (as relevant), legislation and to discuss industry activities</td>
<td>Two meetings</td>
<td>Met</td>
</tr>
</tbody>
</table>

**Scientific and economic research**

Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality: 85% Met | Partially met | –

*a New performance indicator.

**Achievements**

**Food policy**

**Delivering the National Food Plan**

The National Food Plan was launched in May 2013, and aimed to ensure a more integrated, coordinated and strategic focus on food policy along the supply chain.

The delivery of the National Food Plan followed two-and-a-half years of work that involved 16 Australian Government portfolios and 55 agencies. Its delivery marked the culmination of a comprehensive consultation process with a range of stakeholders and the community.

In June 2013, applications opened for the Community Food Grants program, to support the establishment or improvement of community initiatives such as farmers’ markets, food cooperatives, food hubs, community gardens and city farms.

More information is available at daff.gov.au/nationalfoodplan.

**Building food standards**

We worked with the Department of Health and Ageing to develop government positions on proposed amendments to the Australia New Zealand Food Standards Code. These included a new standard for the regulation of nutrition and health claims on food labels, which ensures such claims are scientifically robust while supporting industry innovation.

We also worked to advance Australia’s interests through the development of the Codex Alimentarius Commission’s international food standards (see Program 1.13, page 88) and by advocating for trade-enabling regulatory outcomes in our export markets.

We continued work with the food industry and state and territory governments to mitigate risks and maintain continuity of the food supply in a major emergency.
Live animal exports

Delivering livestock export reforms

In 2012, we completed implementing the Exporter Supply Chain Assurance System (ESCAS) regulatory framework in all but one of Australia’s markets, in line with the recommendations of the independent review of Australia’s livestock export trade (Farmer review). The only exception was Egypt, where the regulations are addressed through a government-to-government agreement.

The implementation of ESCAS was a significant milestone in the reform of the livestock export trade and was made possible through the collaborative efforts of government, industry bodies and exporters. More than 2.8 million sheep, cattle and goats have been exported since the implementation of ESCAS.

We also completed a review of the need for additional conditions for the export of breeder livestock. The review looked at the current system and processes and identified improvements to better ensure the welfare of exported breeder livestock. The report is available at daff.gov.au/animal-plant-health/welfare/breeder-livestock-exports.

Reviewing livestock export standards

We completed a review of the Australian Standards for the Export of Livestock and the Livestock Export Standards Advisory Group, in line with the Farmer review’s recommendations. The review steering committee engaged stakeholders across the livestock export chain, as well as the broader community through targeted consultation.

The final report contains details of the review findings on the Australian Animal Welfare Standards for the Export of Livestock and proposes terms of reference for a new standards advisory process to replace Livestock Export Standards Advisory Group.

Reviewing livestock inspections

We reviewed livestock inspection procedures at the Fremantle port. The review was to ensure that a thorough individual animal inspection is conducted by a DAFF accredited veterinarian, as required under the Australian Standards for the Export of Livestock and in line with the recommendations of the Farmer review.

The final report made recommendations to improve inspections in all states and territories that export livestock. Most of the recommendations were referred to the Livestock Export Standards Advisory Group Review Steering Committee. DAFF consulted the states and territories on the implementation of one recommendation, with another recommendation to be implemented through regulatory and administrative arrangements. The report is available at daff.gov.au/animal-plant-health/welfare/fremantle-review.

Supporting supply chain improvements

We completed the program to encourage industry investment in approved supply chains in Australian livestock export markets. The program provided a reimbursement of 25 per cent of eligible investments in the ESCAS approved supply chains.

At the request of the livestock export industry, we reviewed and amended the grant guidelines to broaden the scope of eligible activities. However, there was limited uptake of the program, with applications received from eight exporters and one peak industry body. The department’s target for this key performance indicator was ‘partially met’ in 2012–13.
Supporting animal welfare overseas

The Improved Animal Welfare Program made significant progress in delivering projects and activities to support improved animal welfare outcomes in eligible countries that import livestock from Australia for slaughter.

We worked closely with agencies in Indonesia, Vietnam and the Philippines to support improvements and provided funding to the World Organisation for Animal Health (OIE) to develop and deliver training on the OIE’s animal welfare standards. The OIE successfully delivered training courses in Indonesia, the Philippines and Turkey.

Animal welfare

Supporting Australian animal welfare

In September 2012, the Australian Animal Welfare Strategy (AAWS) held its sixth national workshop to celebrate its achievements and identify new priorities. The AAWS expert working groups also met in September to recommend projects to the minister. In December 2012, the minister approved 13 projects.

In February 2013, the AAWS launched its redeveloped website, providing improved accessibility for users and provide more comprehensive information on key animal use sectors and international activities (see australiananimalwelfare.com.au).

The AAWS co-sponsored the World Society for the Protection of Animals to facilitate a second national workshop on planning for animals in natural disasters, and continues to sponsor implementation of the OIE Regional Strategy for Asia, the Far East and Oceania. The department chairs the coordination group for the strategy and provides secretariat support.

Building animal welfare standards

We contributed to the development of draft standards and guidelines for cattle and for sheep and the associated regulatory impact statement. The draft standards and impact statement were released for public consultation in March 2013. More information is available at animalwelfarestandards.net.au.

International engagement

We maintained our commitment and support to the OIE’s animal welfare work. In November 2012, Australia participated in the third OIE global animal welfare conference in Malaysia, providing a number of presentations and chairing sessions.

The fifth meeting of the cooperative forum on animal welfare between Australia and the European Union was held in March 2013. The forum meets annually to review animal welfare issues associated with production and companion animals, animals in research, testing and teaching and animals in entertainment.

Australia chaired quarterly meetings of the quadrilateral animal welfare working group of countries (Australia, Canada, New Zealand and the United States). A key focus was the development of international technical specifications for animal welfare. These are designed to encourage operators and governments to conform to the OIE standards and promote harmonisation of animal welfare standards, focusing on farm animals whose products are intended for human consumption.
Informing agricultural policy

Plant genetic resources

We facilitated agreement between the states and research and development corporations on the consolidation of plant genetic resources for food and agriculture into a national centre. In conjunction with the already agreed Australian Grains Genebank, this fulfilled the 2006 decision by the Standing Council on Primary Industries (SCoPI) to establish a national centre. The centre will commence operations later in 2013.

Agricultural biotechnology

We collaborated with a group of countries to develop a joint statement on innovative agricultural production technologies. The statement outlines the intention to share information, encourage constructive dialogue on agricultural biotechnologies and promote science-based regulatory approaches that foster innovation and ensure a safe and reliable global food supply. The statement has been endorsed by Argentina, Brazil, Canada, the Republic of Paraguay and the United States, as well as Australia.

Water reform

We advised the minister on the implications of the Murray–Darling Basin Plan for portfolio industries and other issues relating to broader water reform. The Basin Plan continued to be a focus of activity. We worked closely with the Murray–Darling Basin Authority and the Department of Sustainability, Environment, Water, Population and Communities, as well as other agencies to ensure the views of portfolio stakeholders were represented in policy deliberations on water reform.

In March 2013, ABARES released the report Meeting environmental objectives in the Murray–Darling Basin. The report highlighted the need for policy tools that allow environmental water managers to respond quickly to changing circumstances.

The report identified options to help reduce the level of uncertainty that might accompany the entry of large environmental water managers into the water market and to mitigate the risk that poorly defined water storage rights could lead to environmental water managers adversely affecting other water users, particularly irrigators.

The report is available at daff.gov.au/abares/publications.

Managing agvet chemicals

Regulatory reform

We worked with state and territory governments towards increasing efficiency in agricultural and veterinary chemicals regulation and reducing the regulatory burden on businesses. SCoPI finalised an intergovernmental agreement, a funding model and regulatory model in May 2013. The Australian Government agreed to fund a National Produce Monitoring System pilot project to better inform future regulatory arrangements.

The Agricultural and Veterinary Chemicals Legislation Amendment Act 2013 was passed by Parliament in June 2013. These reforms, which are due to commence on 1 July 2014, seek to improve the effectiveness of the APVMA’s current arrangements and provide greater certainty to the community that agricultural chemicals and veterinary medicines used in Australia are safe.
The Agvet Chemical Regulation Committee was created in March 2013 to replace the National Agvet Systems Policy Taskforce. The committee aimed to assist the Primary Industries Standing Committee (PISC) to develop strategic policy for the national agvet chemical regulatory system and implement the reforms. DAFF chaired the committee in 2013 and provided secretariat support.

International engagement

DAFF attended five international advisory meetings on agvet chemicals. In 2013, Australia became the Vice-Chair of the Organisation for Economic Co-operation and Development's Working Group on Pesticides. The working group helps member countries harmonise activities relating to pesticide regulation and risk reduction. This includes developing systems for sharing information and discussing ways to reduce risks to human health and the environment.

Building rural research and development

Rural Research and Development Policy Statement

In July 2012, the Australian Government released its Rural Research and Development Policy Statement. The statement included the government’s response to the Productivity Commission’s report on rural research and development corporations and to the Rural Research and Development Council’s national strategic investment plan.

Following stakeholder consultation, legislation was introduced into Parliament to establish systemic refinements to research and development corporations in line with the policy statement. We progressed non-legislative actions associated with the policy statement, including preparing a resource to help rural researchers find private funding and promoting the Research and Development Tax Incentive to rural businesses.

Further work is needed to implement the policy statement and the department’s target for this key performance indicator was ‘partially met’ in 2012–13.

Research and development corporations

We worked with the Rural Industries Research and Development Corporation (RIRDC), the Sugar Research and Development Corporation (SRDC) and the Cotton Research and Development Corporation to develop their new research and development plans. These plans demonstrate that the research and development corporations’ programs align with the Rural Research and Development Priorities and the National Research Priorities.

The department worked with the Australian Egg Corporation Limited (AECL) to finalise its 2012–16 strategic plan and statutory funding agreement. The new agreement incorporates recommendations following an independent performance review of AECL and enhances its governance arrangements.

Scientific and economic research

Agricultural commodities

The data and forward looking information in the Agricultural commodities, Australian crop report and Australian commodity statistics were used extensively across the department for briefing and policy and program development on a range of issues affecting Australia’s agricultural and food sector. These included the prospects for rural exports, the impact of a high Australian dollar, live cattle and sheep exports and import competition for horticultural products.

Agricultural commodities was released quarterly and provided the outlook for Australia’s key agricultural commodities over the short to medium term. The Australian crop report, also published quarterly, provided a consistent and regular assessment of crop prospects for major field crops, estimates of area, yield and production and a summary of seasonal conditions on a state-by-state basis.
Complementing these reports is *Australian commodity statistics*, published annually. This is a compendium of historical statistics covering the agriculture, fisheries, food and forestry sectors and provides a set of comprehensive statistical tables on Australian and world production, consumption, stocks and trade for nearly 20 commodities.

**Stakeholder engagement**

The ABARES national Outlook 2013 conference, seven regional Outlook conferences and the Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry reached more than 1500 participants. In partnership with federal, state and territory organisations, ABARES shared its research and analysis across Australia in person with communities and online through Twitter and YouTube. Through Regional Outlook conferences, ABARES consulted stakeholders for the What Asia Wants and Moving Food studies under the National Food Plan.

A commitment to investing in research and development was showcased with the presentation of the Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry at the Outlook 2013 conference. The awards were open to scientists aged 18–35 and were financially supported by the research and development corporations. Awards were made to 12 innovative projects, all aiming to keep Australia's rural industries sustainable and profitable.

**Farm surveys data**

Our farm surveys data were used extensively to understand a range of issues affecting Australia's agricultural sector and to inform policy advice on the levels and structure of farm debt on broadacre and dairy farms and the use of Farm Management Deposits. ABARES analysed its survey data to provide advice on farm business financial indicators, supporting the development of a standardised assessment methodology for farm household support payments.

During the year we produced a new series of 49 regional profiles covering the whole of Australia, based on the boundaries set by the Australian Bureau of Statistics. Each profile presents an overview of the agriculture, fisheries and forestry sectors in the region and the recent financial performance of the broadacre and, where relevant, dairy industries. The regional profiles are available at daff.gov.au/abares/publications/aboutmyregion.

**Blueprint for Australian Agriculture**

ABARES provided technical assistance to the National Farmers’ Federation to develop its Blueprint for Australian Agriculture. The blueprint aims to inform and direct policy development and innovation for the agricultural sector and its supply chain in the short and long term.

Following a request for further information, ABARES provided a report to the National Farmers’ Federation in December 2012 on top priority focus areas identified by the blueprint advisory committee for further consideration. More information is available at nff.org.au/blueprint.

**Agricultural productivity**

ABARES collaborated with the United States and Canada to develop comparable measures of agricultural productivity. Funded by the RIRDC, the study found that over the past 50 years Australia’s agricultural productivity has been maintained relative to the United States and has improved relative to Canada. This is despite challenges such as climate variability, remoteness from global markets and a smaller capacity for rural research and development.

Other productivity studies included an examination of how closer vertical coordination in agriculture can reduce the costs of guaranteeing product quality, by improving information flows along value chains. ABARES concluded there is a role for government to encourage innovation in business practices and marketing, secure access to overseas markets and reduce transaction costs that act as a barrier to farmers participating in value chains.
ABARES assessed policy areas reviewed by the Productivity Commission in its 2007 Annual Review of Regulatory Burdens on Business, to identify areas of unnecessary regulation that could be improved to raise productivity in Australia’s agriculture and forestry industries.

More information about ABARES reports and publications released during the year is available at daff.gov.au/abares/publications.

**Challenges**

**Livestock exports**

As the independent regulator of livestock exports, DAFF has undertaken a number of investigations in response to claims from third parties of animal welfare and regulatory breaches. The department investigates each allegation it receives of animal cruelty, as maintaining animal welfare standards is central to our work.

Some of our investigations resulted in DAFF taking action including the removal of facilities from approved supply chains, requiring exporters to provide further information about proposed exports and issuing directions to be complied with by export licence holders.

In some cases, we also applied additional conditions to export approvals, such as requirements for supply chain officers to be in place to oversee operations in approved supply chains, further reconciliation requirements to account for animals in supply chains and additional auditing and reporting.

**Agricultural productivity work plan**

The work plan comprises a number of projects being delivered by Australian, state and territory government agencies under PISC. Project topics include building the agricultural workforce and business planning and farm management. A project on water reform has been completed, while several projects were revised to ensure continued relevance and improved outcomes.

The delays were largely related to resource constraints, competing priorities and the need to align with changing government policy.

The department’s target for this key performance indicator was ‘partially met’ in 2012–13.

**Agvet chemicals**

There were significant challenges in delivering the Council of Australian Governments (COAG) agvet chemicals reforms. The proposed framework sought to harmonise a number of contentious elements that were outside the Australian Government’s legislated powers. However, through the leadership of the National Agvet Systems Policy Taskforce the reform package was delivered to COAG in December 2012 and an intergovernmental agreement was signed in May 2013.

A number of challenges remain to implementing the agvet chemicals reforms, which are due to commence on 1 July 2014. These relate to the complexity and range of reform measures required, balancing the needs and views of diverse stakeholders, undertaking parallel reforms to state and territory processes and enabling the APVMA to undertake its business-as-usual role while implementing the reforms.

The department’s targets for these key performance indicators were ‘partially met’ in 2012–13.
Sugar industry research and development reform

In September 2012, the Australian Sugar Industry Alliance put forward a proposal to reform sugar research and development arrangements. Under the reforms, the SRDC and the industry-owned research provider BSES Limited would be wound-up and their assets and research and development functions, along with the research coordination activities of Sugar Research Limited, transferred to the industry-owned company, Sugar Research Australia Limited.

The Alliance sought implementation by 1 July 2013. We developed legislation that provided the mechanism to implement key elements of this major reform. This involved extensive consultation with industry and other stakeholders, including the SRDC. The legislation was passed by Parliament in June 2013.

Scientific and economic research

ABARES identified an increased risk of not meeting its external revenue targets, largely attributable to reduced project funding from other Australian Government agencies and DAFF’s tightening fiscal environment. This risk is forecast to continue into 2013–14.
Program 1.11:
Drought programs

Program objective

- increase the resilience and capacity of farmers, farming families and communities to better prepare for and self manage the impacts of drought, climate variability and reduced water availability.

Program description

We were responsible for developing and implementing the Australian Government’s reforms to drought assistance. These reforms aimed to improve the preparedness and self-reliance of farmers dealing with a variable climate.

More information is available at daff.gov.au/drought.

Key performance indicators

Table 12 Program 1.11—Drought programs—key performance indicators

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible farmers and small businesses receive sufficient financial resources to meet immediate needs within timeframe specified by the Business Partnership Agreement</td>
<td>100% b</td>
<td>N/A</td>
</tr>
<tr>
<td>Interim Income Support claims to be processed within 42 days in accordance with the Business Partnership Agreement with the Department of Human Services</td>
<td>80% b</td>
<td>N/A</td>
</tr>
<tr>
<td>Exceptional Circumstances Relief Payments claims to be processed within 42 days in accordance with the Business Partnership Agreement with Centrelink</td>
<td>80% b</td>
<td>N/A</td>
</tr>
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</table>
Key performance indicator

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<tbody>
<tr>
<td>Effective understanding of stakeholder views on future programs to help producers prepare for and manage drought</td>
<td>Consult stakeholders</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td></td>
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Scientific and economic research

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<tr>
<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>85%</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
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</table>

* New performance indicator. * No Exceptional Circumstances declarations were in place in 2012–13, which meant these indicators were not applicable during this period.

Achievements

Delivering National Drought Program Reform

The Intergovernmental Agreement on National Drought Program Reform was signed in May 2013. The agreement outlines the roles and responsibilities of the Australian, state and territory governments. It represents a major achievement and the culmination of more than five years’ work to confirm a new approach to drought programs.

The new package aimed to help producers prepare for, and manage the effects of drought and other challenges.

The central element of the new package, the Farm Household Allowance, was announced in the 2013–14 Federal Budget. The new allowance aims to support farmers and their partners when they are in hardship, regardless of the source and represents a significant microeconomic reform. It is due to commence in July 2014.

Other elements of the package included Farm Management Deposits and taxation measures, a national approach to farm business training, a collaborative approach to the provision of social support services and tools to inform farmer decision-making.

More information is available at daff.gov.au/drought.

Supporting the National Rural Advisory Committee

During 2012–13, the National Rural Advisory Committee (NRAC) undertook assessments of agricultural insurance products, including multi-peril crop insurance and its feasibility in Australia, the effectiveness of the Farm Management Deposits scheme and the workforce planning capabilities of agricultural employers.

We provided NRAC with research, data and secretariat support. We have also begun implementing several recommendations from NRAC’s report on Farm Management Deposits as part of the Farm Finance initiative (see Program 1.12, page 83). This includes increasing the non-primary production income threshold for deposits and consolidating eligible accounts.
Managing drought programs

We managed finalisation of the pilot of drought reform measures in Western Australia, the Climate Change Adjustment Program and the Exceptional Circumstances Exit Grants Program. All of these programs expired in 2011–12, although payments under the Building Farm Businesses element of the Western Australian pilot will continue until 30 June 2014.

We also managed the wrap-up of the Exceptional Circumstances Interest Rate Subsidy. This involved the acquittal of the program to cover any residual payments made by the states, which were linked to the program’s processing, review and appeal arrangements. We worked with the states to conclude outstanding payments and to organise the refund of any remaining funds to the Australian Government.

Challenges

National Drought Program Reform

A key challenge in confirming National Drought Program Reform was to ensure the views of our key stakeholders, including the state and territory governments, national and state farmer groups and Australian Government agencies, helped shape development of the final package of measures. We engaged these stakeholders frequently throughout 2012–13 to build consensus on the way forward.

While it was not possible to meet all requests, there is general acceptance that the final package represents a positive approach that is consistent with the outcomes of previous reviews.
Program 1.12: Rural programs

Program objective

- support eligible primary producers and small rural businesses with targeted assistance to manage adjustment pressures and remain viable in the long term.

Program description

The Australian Government funds the Rural Financial Counselling Service (RFCS) in partnership with state governments. The program funded grants to state and regional organisations to provide free financial counselling to eligible primary producers, fishers and small rural businesses in financial hardship. The RFCS also provided financial information and referrals to other sources of assistance.


DAFF also administered a number of programs to assist individuals and businesses directly affected by the temporary suspension in 2011 of live cattle exports to Indonesia.

More information is available at liveexports.gov.au/assistance.

Key performance indicators

<table>
<thead>
<tr>
<th>Table 13 Program 1.12—Rural programs—key performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key performance indicator</strong></td>
</tr>
<tr>
<td>Work with the Rural Financial Counselling Service (RFCS) providers to acquit the funds in accordance with the relevant agreed governance documentation</td>
</tr>
<tr>
<td>Provide effective support across rural Australia through the RFCS program</td>
</tr>
<tr>
<td>Work with the RFCS providers to provide the services specified in the agreed governance documentation</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Eligible applicants have access to cash flow to assist with the impacts of the temporary suspension of the live cattle export trade to Indonesia</td>
</tr>
</tbody>
</table>

**Scientific and economic research**

| Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality | 85% a          | Met         | –        | –        |

---

*a New performance indicator. b DAFF reported this indicator as a deliverable in 2011–12. c This is the number of recipients. Applications closed on 10 February 2012. Payments will be made to recipients for up to two years. Numbers reported are not aggregated across financial years.*

## Achievements

### Improving counselling services

We commissioned a performance audit of the 14 RFCS providers to evaluate their corporate governance, financial management and service delivery frameworks. Overall, the audit outcomes were positive and found that the RFCS providers were well equipped to deliver their services. It also found a significant improvement in governance, financial management and service delivery arrangements since the last audit in 2007–08.

Most service providers were assessed as performing at a ‘medium’ level or above, meaning the audit had few or no major concerns about their corporate governance, financial management or service delivery. Most findings related to corporate governance issues. We are continuing to work with the RFCS providers to ensure all matters raised by the audit are addressed.

### Supporting Northern Territory farmers

In December 2012, the Australian and Northern Territory governments agreed to fund a trial to extend the RFCS program into the Northern Territory. We provided $50 000 to the South Australian RFCS to deliver financial counselling services in the Northern Territory for two weeks every three months. The expanded service began in March 2013 and will be reviewed after 12 months.

### Assisting the live cattle industry

In June 2011, a number of programs were established to assist individuals and businesses directly affected by the temporary suspension of live cattle exports to Indonesia. This included the Subsidised Interest Rate Scheme, which subsidised the interest on new and extended commercial loans to the value of $300 000. We continued to work with the Department Human Services to deliver the scheme, with about 75 businesses receiving $630 000 of support in 2012–13.
Challenges

Supporting farmers in debt

An initiative was announced in April 2013 to strengthen the financial resilience of farmers struggling with high levels of debt. Farm Finance included short-term assistance in the form of concessional loans for productivity enhancement projects or debt restructuring. It also increased the non-primary production income threshold for Farm Management Deposits from $65 000 to $100 000 and allows for the consolidation of existing accounts. Other measures are funding for 17 additional full-time RFCS counsellors and establishing a nationally consistent approach to farm debt mediation.


Recovering from Queensland’s floods

In February 2013, as part of the 2013 Queensland Flood Support Package, a one-off funding boost of $750 000 was allocated to the two Queensland RFCS providers. These funds are helping rural financial counsellors assist primary producers and small rural businesses to develop flood recovery plans and manage the effects of flood damage. We worked with these providers to ensure this funding translated into new counselling resources.
Program 1.13: International market access

Program objective

- maintain and improve international market access opportunities for Australia’s agriculture, food, fisheries and forestry industries.

Program description

Australia exports on average around 60 per cent of its farm products, 56 per cent of its fish products and 60 per cent of its forest products. We negotiated technical market access arrangements with trading partners and worked with the Department of Foreign Affairs and Trade (DFAT) to achieve the best possible outcomes for Australian agricultural and food interests in and multilateral trade negotiations.

More information is available at daff.gov.au/market-access-trade.

Key performance indicators

Table 14 Program 1.13—International market access—key performance indicators

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<tr>
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<tbody>
<tr>
<td>Engage with trading partners to support access to overseas markets for portfolio industries</td>
<td>100% a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of points of engagement (meetings, delegations and visits) used to maintain and improve market access, manage market closure and interruptions, and represent portfolio interests in new international agreements and standards relating to portfolio products</td>
<td>100–200 points of engagement a</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Support an effective network of DAFF officers overseas located in key regions to maintain and improve Australia’s market access opportunities and competitiveness</td>
<td>13 posts. 18 key overseas markets b</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
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### Key performance indicator

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<tbody>
<tr>
<td>Meet all portfolio statutory reporting obligations under international agreements</td>
<td>100%&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Maintain timely and effective distribution of membership funds to international organisations in accordance with Australia’s international obligations and statutory requirements</td>
<td>100% of obligations met&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Support effective and timely capacity building / cooperation projects with trading partners and international institutions</td>
<td>5–10 projects&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
<td>–</td>
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### Scientific and economic research

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<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>85%&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Met</td>
<td>–</td>
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<sup>a</sup> New performance indicator. <sup>b</sup> DAFF reported this indicator as a deliverable in 2011–12.

### Achievements

#### Building trade ties

##### Addressing market issues

As part of our international strategy, we developed a new model to establish a more intelligence-driven approach to market access issues. The approach aimed to deliver improved coordination across the portfolio and support whole-of-government collaboration and engagement with industry.

The new model was bolstered by funding aimed to build our food trade ties with Asia. This funding aimed to support an additional agriculture specialist position and three more locally engaged staff to work on market access issues. It was also designed to support greater industry involvement through two to three industry delegations each year.

##### Chairing the Agricultural Market Information System

In February 2013, Australia was elected as the next chair of the Agricultural Market Information System (AMIS). AMIS aims to improve agricultural market information sharing, analyses and forecasts at national and international levels for four major crops: wheat; maize; rice; and soybeans. Chairing AMIS will help Australia foster market transparency and informed collaboration with member countries to ensure responses to food security challenges brought about by market volatility are effective for all.

##### Deepening multilateral engagement

We hosted visits by key officials from AMIS, the Organisation for Economic Co-operation and Development (OECD), the Food and Agriculture Organization of the United Nations (FAO) and the United States Department of Agriculture. All visits resulted in more effective and targeted engagement with these organisations.
Australia began participating as a pilot country in the OECD’s agricultural productivity and innovation framework study, alongside Brazil and Canada. The framework will help developed and developing countries increase sustainable agricultural productivity growth and innovation, as well as identifying gaps or weaknesses in agriculture policy and practices.

In June 2013, we participated in the 38th biennial Conference of the FAO. We were involved in the negotiation of the FAO’s budget, and ensured that the interests of the organisation’s south-west Pacific island state members were progressed.

Each conference opens with the McDougall Lecture, in memory of Frank Lidgett McDougall, an Australian who had a key role in the early days of the FAO. This year, our delegation presented the FAO Director General, Dr José Graziano da Silva, with the book *A new idea each morning* by Wendy Way, about Frank McDougall and the FAO’s beginnings.

**Building bilateral engagement**

**Indonesia**

We hosted the Australia–Indonesia Working Group on Agriculture, Food and Forestry Cooperation in Perth in December 2012. The meeting discussed issues such as live cattle and boxed beef market access, including trade quotas, Indonesia’s horticulture import regulations, and activities to combat illegal logging. Indonesia also proposed a project to strengthen pasture and ranch management in Indonesia.

Indonesia confirmed it would renew its recognition for Australia’s food safety systems for fresh food of plant origin. Formal recognition exempts Australian exporters from undertaking extensive testing and certification for two years. It also maintains access to Indonesia’s main seaport, Tanjung Priok, which is crucial to the viability of Australian horticulture exports.

We created a new Minister-Counsellor (Agriculture) position in Jakarta, reflecting the increasing importance of our agricultural relationship with Indonesia. The role will focus on market access, strengthening Australia’s agricultural relationship with the Indonesian Parliament and government agencies, and will provide momentum for negotiations on the Indonesia–Australia Comprehensive Economic Partnership Agreement.

**Saudi Arabia**

We established the Working Group on Food Security, which met in conjunction with the Saudi Arabia–Australia Joint Ministerial Commission in March 2013. Discussions were held on food policy, prospects for expanding agricultural trade, investment opportunities, and on the livestock, grains, plant products and fisheries industries.

**China**

The 11th meeting of the Australia–China Joint Agricultural Commission was held in April 2013. The minister hosted the meeting, which included the first visit to Australia by a Chinese Agriculture Minister. Topics discussed included improved cooperation, agricultural policy developments and the *Feeding the Future* joint report, published in December 2012.

During the meeting, the ministers signed a memorandum of understanding on expanded activities under the Australia–China Agricultural Cooperation Agreement. New activities include workshops, training programs and officer secondments. Science and technology, two-way investment and trade have been identified as the priority areas for cooperation. The changes will take effect from 1 January 2014.
The *Feeding the Future* report marks the first time that the Australian and Chinese governments have worked together on this kind of project. It identifies ways both nations can work together to improve food security. The report also sets out a blueprint to raise rural productivity in Australia and increase our role in supplying global markets.

DAFF had substantial input to the report with the Department of Foreign Affairs and Trade and the Chinese co-authors. We are working with DFAT and other government agencies to implement its recommendations.

In November 2012, the minister travelled with an industry delegation to Vietnam and Thailand to strengthen ties and build trade opportunities for the agriculture sector. Australia’s trading relationship with these markets is significant, with agriculture, fisheries and forestry exports valued at nearly $2 billion in 2011–12. The trip marked the first visit to Vietnam by an Australian Agriculture Minister.

*The Minister for Agriculture, Fisheries and Forestry, Senator the Hon. Joe Ludwig, meets Thailand’s Deputy Prime Minister and Minister of Agriculture and Cooperatives, Mr Yukol Limlamthong.*

Photo: DAFF
Negotiating market access

Animal products and food

We negotiate with trading partners to gain or maintain access for animal and food commodities. This may vary from ensuring access is maintained after a trading partner rejects an Australian export consignment, to reaching agreement with a major trading partner on production system and export certification requirements.

Market access achievements in 2012–13 included:

- reinstating kangaroo meat exports to Russia, which had banned imports since 2009
- minimising disruption to trade after outbreaks of notifiable avian influenza in New South Wales and Western Australia
- opening new markets for animal by-products including game trophies to South Africa, kangaroo-based pet food to New Zealand and emu oil to Hungary.

We hosted groups of auditors and other technical experts from trading partners, as successful outcomes from these visits are necessary to maintain or improve market access. The Republic of Korea, Malaysia, the Russian Federation, Vietnam, China, Thailand and the European Commission undertook audits of meat, fish or dairy exports establishments in 2012–13. We worked with industry to address any adverse findings and trade has continued with all markets.

The Philippines

In February 2013, the Philippines and Australia agreed on a revised protocol for a range of Australian horticulture commodities after more than two years of negotiations. The agreement was the result of significant collaboration between DAFF, the horticulture industry and state agriculture departments. The new protocol will benefit Australian fruit exporters.

The new arrangements allow for in-transit cold treatment to ensure products arrives in good condition. Australia is the first country the Philippines has allowed to cold-treat produce while in-transit.

India

In September 2012, India approved Australia's export certification of sheepmeat, goatmeat and pork and their products, after 11 years of negotiations. Exports to India commenced immediately. Market access had been closed since late 2001 when India changed its import health requirements.

India has a domestic sheep industry that produces meat and wool, but economic growth and development means it is unable to meet the increasing demand for high-quality meat for the international hotel, restaurant and supermarket trade. The reopened market offers considerable opportunities for Australian meat exporters.

Developing international food standards

Australia continued to play a strong leadership role in the development of international food standards through the Codex Alimentarius Commission (Codex).

Australia provided significant input to standards adopted at the 35th Codex session in July 2012, including maximum residue limits (MRLs) in cattle and pig tissue (kidney, liver, muscle and fat) for ractopamine. This was a positive outcome for Australia's pork industry, as several trading partners had been waiting for adoption of Codex MRLs in order to set their own national regulations.

Through Australia's position as chair of the Codex Committee on Food Import and Export Inspection and Certification Systems, we are taking a lead role in developing standards that harmonise and facilitate trade in food and food products. The committee's 20th session in February 2013 completed draft Principles and Guidelines for National Food Control Systems, and will assist governments to develop systems that help protect the health of their populations and meet international obligations.
Scientific and economic research

ABARES has commenced a joint project with India’s National Centre for Agricultural Economics and Policy Research. The objective is to develop capacity to research the implications of agricultural price fluctuations on India’s domestic food production, consumption and other policy related issues. This project is part of the Australian Agency for International Development’s (AusAID) Public Sector Linkages Program and has received support from DAFF and AusAID officers at the Australian High Commission in New Delhi.

Challenges

International engagement

The Southeast Asian markets remain attractive for Australian exporters of agricultural and food products, while also representing some challenges from increased regulatory requirements. As their food safety and sanitary and phytosanitary regimes mature, there is a potential for new disruptions to trade based on increased requirements. For example, we continue to respond to changes in Indonesia’s regulations for trade in horticultural products, live cattle and animal products.

Negotiating new agreements

We are involved in new and ongoing negotiations for a number of proposed economic partnerships and trade agreements with our trading partners. Challenges include the sensitivities in negotiating on certain commodities, anticipating requests for technical assistance and negotiating with non-World Trade Organization (WTO) members.

Negotiations on the Indonesia–Australia Comprehensive Economic Partnership Agreement commenced in September 2012. Two pilot projects have already been developed. These projects will promote the mutually beneficial trade in agricultural products and encourage an early improvement in the challenging environment for trade and investment in Indonesia.

Negotiations on the Regional Comprehensive Economic Partnership commenced in November 2012. This agreement will initially include the 10 ASEAN countries and the six countries with which ASEAN has separate free trade agreements. The partnership will support improved Australian trade with a group of countries that accounts for almost half the world’s population and 70 per cent of Australian exports of goods and services.

Pursuing high-quality free trade agreements remains a priority. Australia already has free trade agreements in place with Singapore, Malaysia, the United States, New Zealand, Thailand, Chile and ASEAN–New Zealand. Progress continues toward free trade agreements with the Gulf Cooperation Council and several other countries, including China and the Republic of Korea.

Changing our international brand

In November 2011, we announced plans to retire the Australian Quarantine and Inspection Service (AQIS) brand. This required engagement with our trading partners to ensure rolling out the new identity did not result in disruption to trade procedures.

Communication has included formal statements at international meetings and letters to trading partners, outlining the administrative changes to export certificates and other items. The brand change neither affects the authority under which audits and inspections are undertaken and export certificates are issued, nor has it prompted any changes to our requirements for imports. Close management of the process continues.
Program 2.1: Quarantine and export services

Program objective
• support access to overseas markets and protect the economy and the environment from the impacts of unwanted pests and diseases through the safe movement to and from Australia of animals, plants and their products, including genetic material, people and cargo.

Program description
We deliver biosecurity services and are responsible for reforming Australia’s biosecurity system to ensure the services we provide are responsive, targeted and able to meet increasing demand into the future. Our biosecurity program is underpinned by five key principles:
• implementing a risk-based approach to biosecurity management
• managing biosecurity risk across the continuum—offshore, at the border and onshore
• strengthening partnerships with clients and stakeholders
• using robust science, being intelligence-led and evidence-based
• developing and implementing modern legislation, technology, funding and business systems.

More information is available at daff.gov.au/biosecurity.

Key performance indicators

Table 15 Program 2.1—Quarantine and export services—key performance indicators

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of risk-based biosecurity intervention for sea cargo, air cargo vessels, international passengers and mail</td>
<td>Implement change projects</td>
<td>Met</td>
</tr>
<tr>
<td>Drafting and passage of biosecurity legislation</td>
<td>Bill considered by Parliament Draft subordinate legislation a</td>
<td>Partially met (see page 92)</td>
</tr>
</tbody>
</table>
### Key performance indicator

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of biosecurity legislation</td>
<td>Start staff training</td>
<td>Not met (see page 92)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Remediation of Australia’s biosecurity ICT systems</td>
<td>Start repair of systems</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with industry to design and implement reforms</td>
<td>Two industry meetings, Design reforms</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transition to revised arrangements for a single post entry quarantine station</td>
<td>Support design and planning</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Engage with state and territory governments on biosecurity issues</td>
<td>Two meetings</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Markets lost as a consequence of failed DAFF certification services</td>
<td>0</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>–</td>
</tr>
<tr>
<td>Export consignments rejected because of certification issues</td>
<td>Less than 1%</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Proportion of import risk analyses conducted in accordance with biosecurity regulations</td>
<td>100%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>–</td>
</tr>
<tr>
<td>Proportion of expanded import risk analyses supported by the Eminent Scientists Group</td>
<td>100% (see page 97)</td>
<td>N/A</td>
<td>N/A</td>
<td>Met</td>
<td>–</td>
</tr>
<tr>
<td>Develop closer partnerships with other agencies to deliver better biosecurity outcomes</td>
<td>Monitor partnership arrangements and advise as needed</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

### Scientific and economic research

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>85%</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

---

### Achievements

### Delivering biosecurity reform

#### New biosecurity legislation

We developed new legislation to replace the *Quarantine Act 1908* to make Australia’s biosecurity regime more responsive and streamlined. The Biosecurity Bill 2012 and the Inspector-General of Biosecurity Bill 2012 were introduced into Parliament in November 2012.

Both Bills were referred to the Senate Rural and Regional Affairs and Transport Legislation Committee.
The committee provided a further opportunity for organisations and individuals to have their views considered as a part of the decision-making process. In June 2013, the committee's inquiry was extended until November 2013.4

The department’s target for this key performance indicator was ‘partially met’ in 2012–13.

Implementation planning for the biosecurity legislation was progressed during the year. We completed detailed analysis and design of the changes required upon passage of the legislation, to form the basis for advisory material and staff training.

The department’s target for this key performance indicator was ‘not met’ in 2012–13.

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**Building a new post entry quarantine facility**

We met important milestones associated with planning to consolidate our existing post entry quarantine functions to a single site. Following acquisition of the site at Mickleham in Victoria in July 2012, we received approval for development of the site under the *Environment Protection and Biodiversity Conservation Act 1999* in January 2013.

Approval allowed key activities to continue, including referral to the Parliamentary Standing Committee on Public Works. In May 2013, the committee and Parliament provided approval for the construction program to proceed.

We completed a program of refurbishment, improvement and other interim works to maintain the safe and effective operation of the five existing quarantine facilities through to the expiry of their leases, which will occur progressively from 2015 to 2018. We continued stakeholder engagement throughout the year, with more than 30 specific industry consultative committee meetings, as well as meetings with staff and the National Employee Consultative Committee.

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4 The legislation lapsed when Parliament was prorogued on 5 August 2013 ahead of the Federal election on 7 September 2013.
Implementing the Beale review

The 2008 independent review of Australia's quarantine and biosecurity arrangements (Beale review) made a number of recommendations to ensure the integrity of Australia's biosecurity system. The new biosecurity legislation and progression of the new post entry quarantine facility implement several of the recommendations from the Beale review.

We also progressed a number of recommendations through improvements to cargo systems at the border, improving the efficiency of the biosecurity regulatory system for goods moving into the country and continuing work under the Intergovernmental Agreement on Biosecurity (IGAB—see Program 2.2, page 102).

Leading biosecurity risk research

The Australian Centre of Excellence for Risk Analysis (ACERA) was established in 2006 under a funding deed with the University of Melbourne. ACERA has developed tools to ensure Australia is at the forefront of practical risk analysis.

In May 2013, we signed a new agreement with the University of Melbourne to establish the successor to ACERA, the Centre of Excellence for Biosecurity Risk Analysis (CEBRA). The department has developed a rigorous process to establish the biosecurity research program for CEBRA and ABARES for 2013–14, with a focus on six priorities:

- offshore surveillance and detection
- onshore safeguarding action
- manage imports at origin
- monitor and sustain Australia's biosecurity status for exports
- enable biosecurity at the border
- imports at the border.

ABARES also developed spread models for several biosecurity pests, including siam weed and black striped mussels. This research enabled integrated cost-benefit analyses to be undertaken in line with the IGAB.

Improving risk management

We continued to develop a system to provide consistent analysis of risk across biosecurity pathways and return on investment in controls to manage risks. Using scientific assessments, we identified areas where resourcing can be reduced while still managing the low level of risk posed. For example, ABARES has extended research on the risk associated with different plant import pathways to enable targeting of biosecurity management.

This risk management approach, working in partnership with industry, allowed the department to reduce the number of inspections required for some commodities. Additional resources were and continue to be devoted to areas of higher risk, including targeted operations.

Evidence shows the changes implemented have led to improvements to cargo systems at the border. A study of cargo data showed that, between 2008–09 and 2011–12, non-compliance rates decreased 36 per cent for air cargo and 10 per cent for sea cargo, despite increases in cargo volumes.

The median arrival-to-release time decreased by 84 per cent for air cargo and 15 per cent for sea cargo. Compliant cargo was processed significantly more quickly (1.2 hours for air cargo and 0.7 days for sea cargo) than non-compliant cargo (122 hours for air cargo and 11 days for sea cargo). This shows that where clients appropriately manage risks they can expect to save time and money.

We conducted a medium-risk nursery stock review and implemented outcomes, including additional responsibility for importers in transporting their nursery stock. A trial sampling regime was conducted and demonstrated that it is effective and can be used in lieu of a 100 per cent inspection for all plants in a consignment.
Based on 2011 import data, this will reduce the number of plants inspected in the four trial genera from approximately 390,000 per year to 22,000. Implementing this sampling regime over the entire medium-risk nursery stock category would reduce the number of plants inspected from more than two million per year to approximately 110,000. In both cases this represents a reduction of 90–95 per cent in plants inspected.

**Building our technology**

Following submission of our Information and Communication Technology Second Pass Business Case in 2012, we released a tender in February 2013 to provide an enterprise telecommunications capability. The migration to an enterprise class telecommunications service is a key enabler to meet the outcomes required under the biosecurity reform agenda.

An Enterprise Data Warehouse (EDW) was implemented and work continued to migrate siloed data from our heritage systems. Planning commenced to position the EDW capability to become the department’s single source of data. We also migrated all heritage systems to a Virtual Server Environment and centralised our data centre environment at Hume in Canberra.

**Managing imports**

<table>
<thead>
<tr>
<th>Table 16 Size of the import task</th>
<th>2012–13 a</th>
<th>2011–12</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>International passenger clearances b</td>
<td>16 200 000</td>
<td>15 440 000</td>
<td>14 690 000</td>
</tr>
<tr>
<td>Seizures of items from air passengers</td>
<td>247 054</td>
<td>381 178</td>
<td>473 228</td>
</tr>
<tr>
<td>Sea passenger and crew clearances</td>
<td>794 122</td>
<td>834 088</td>
<td>786 610</td>
</tr>
<tr>
<td>Seizures of items from sea passengers</td>
<td>5 124</td>
<td>8 225</td>
<td>9 007</td>
</tr>
<tr>
<td>International mail articles (total volume) b</td>
<td>186 580 000</td>
<td>164 730 000</td>
<td>152 280 000</td>
</tr>
<tr>
<td>Seizures of mail items</td>
<td>34 325</td>
<td>67 631</td>
<td>108 130</td>
</tr>
<tr>
<td>Airports where we have staff</td>
<td>8</td>
<td>8 (29 port-of-entry airports are unstaffed)</td>
<td></td>
</tr>
<tr>
<td>International mail facilities where we have staff</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Import permit applications received</td>
<td>22 672</td>
<td>20 873</td>
<td>22 303</td>
</tr>
<tr>
<td>Import permits issued</td>
<td>19 125</td>
<td>19 715</td>
<td>19 054</td>
</tr>
<tr>
<td>Shipping pratique visits—first ports</td>
<td>16 300</td>
<td>15 700</td>
<td>14 300</td>
</tr>
<tr>
<td>Country Action List (CAL) sea container inspections (first port)</td>
<td>46 482</td>
<td>53 785</td>
<td>45 800</td>
</tr>
<tr>
<td>Air freight consignments (under $1 000) c</td>
<td>645 000</td>
<td>721 000</td>
<td>676 000</td>
</tr>
<tr>
<td>Live animal imports processed at government post entry quarantine facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cats</td>
<td>dogs</td>
<td>horses</td>
<td>avians</td>
</tr>
<tr>
<td>1 815</td>
<td>3 761</td>
<td>495</td>
<td>447</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cats</td>
<td>dogs</td>
<td>horses</td>
<td>avians</td>
</tr>
<tr>
<td>2 015</td>
<td>3 798</td>
<td>409</td>
<td>567</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cats</td>
<td>dogs</td>
<td>horses</td>
<td>avians</td>
</tr>
<tr>
<td>2 059</td>
<td>3 624</td>
<td>511</td>
<td>156</td>
</tr>
<tr>
<td>Hatching eggs processed at government post entry quarantine facilities</td>
<td>22 812</td>
<td>27 120</td>
<td>28 900</td>
</tr>
</tbody>
</table>

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*a Figures from 1 July 2012 through to 30 June 2013. b Rounded to the nearest ten thousand. c Rounded to the nearest thousand.*
Ensuring compliance

We undertook 4200 audits of quarantine approved premises, more than 6000 randomly selected sea container inspections and more than 600 compliance agreement audits. In 2013, we implemented process improvements to the random inspection of imported containerised sea cargo. Cargo Compliance Verification extended the scope of inspections to the full range of containerised sea cargo, improved the randomisation of consignment selection, better aligned inspection targets to the volume of imports arriving at Australian ports and strengthened the consistency of our procedures.

While we worked to reduce risk, we also continued to encourage a high level of compliance through industry promotion and education, provided opportunities for importers to declare items of biosecurity concern, tailored our investigation and intelligence services to identify and respond to non-compliance and targeted deliberate criminal activity.

The DAFF Imports Compliance Statement for 2012–13 detailed where our resources would be used and our approach to criminal behaviour. This allowed anyone involved in importing goods to see how we monitor compliance with biosecurity and food import conditions.

More information is available at daff.gov.au/biosecurity/about/biosecurity-compliance-strategy.

Biosecurity partnerships in action: Northern Stevedoring Services (NSS) received a biosecurity commendation in March 2013 after helping to avert a major risk from a swarm of Asian honey bees. NSS’ prompt reporting enabled DAFF to quickly contain and destroy the swarm, which was found in a cargo yard at the Port of Townsville.

DAFF operational scientist, Champa Rajapakse, examines a swarm of Asian honey bees for varroa mites.

Photo: DAFF
**Targeted operations**

Our targeted operations provided assurance that importing industries are meeting their compliance obligations, and support our intelligence about where biosecurity risks lie. Operation Balmain tested industry compliance of high-risk food products, identifying some misreporting by some importers for imported food products that could have long-term negative impacts on Australia’s agricultural industries and the environment.

We will continue running targeted campaigns to test compliance of the importing community. The results gained from operations will be used to intercept further consignments likely to contain prohibited material.

**Building partnerships**

In partnership with the CSIRO, we have an Australia-wide network of operational scientists, entomologists and plant pathologists who identify pests and diseases and train our inspection staff. To maximise the skills of our industry partners, the operational scientists have developed short training courses for workers in the sea and air freight industries that show how to identify and respond to biosecurity risks.

The training has already delivered benefits; our industry partners have reported some serious pests and our biosecurity officers have been able to respond rapidly. Examples include detection of Giant African Snails on shipping containers and on wash pads at quarantine approved premises, auger beetles in timber packaging and red dwarf honey bees on imported new cars.

**Sea container hygiene**

A sea container hygiene system trialled collaboratively between DAFF and industry is helping manage the biosecurity risks of imported sea containers. The system addresses biosecurity risks associated with sea containers arriving from countries in the Pacific region. The effective use of the system means fewer inspections are needed and wharf congestion in Australia is reduced. The system also allows industry to demonstrate strong compliance offshore and better manage processes overseas such as port hygiene measures, cleaning and storing of containers.

**Engaging our stakeholders**

We strengthened our engagement with state and territory food authorities, signing a new memorandum of understanding with Food Standards Australia New Zealand for a collaborative approach to monitoring and responding to food safety issues.

We are continuously improving our networks with industry, rural groups and the community. Our network of local biosecurity managers ensured issues were identified and addressed quickly. We also introduced a national register to record, track and report on issues raised by stakeholders to ensure timely assistance is provided. In 2012–13, we held 981 meetings with stakeholders across the imported cargo and shipping industries.
Managing import risks offshore

Risk analysis helps the department to consider the level of biosecurity risk that may be associated with the importation or proposed importation of animals, plants and their products. Regulated import risk analyses are conducted by technical and scientific experts.

No expanded import risks analyses requiring the support of the Eminent Scientists Group were completed in 2012–13.

Assessing risk may also take the form of a non-regulated analysis of existing import policy. During 2012–13, we completed a number of non-regulated risk analyses, including for:

- transmissible spongiform encephalopathies through veterinary vaccines and other in vivo veterinary products
- commercial rabbits from certain member states of the European Union
- queen honey bees from approved countries
- potato propagative material from all countries
- lychees from Taiwan and Vietnam
- table grapes from China and the Republic of Korea.

During the year, three Senate inquiries were conducted into finalised import risk analyses of de-crowned pineapples from Malaysia and ginger from Fiji, and a review of import conditions for fresh potatoes for processing from New Zealand. More information about import risk analyses is available at daff.gov.au/ba/ira.

Managing biosecurity risks offshore

We completed evaluations of the foot-and-mouth disease (FMD) status of Chile and Japan, resulting in both countries being recognised as free from FMD without vaccination, and approved to export products to Australia. We also completed evaluations of Great Britain and of the Republic of Ireland for exports of uncooked pig meat to Australia for further processing (cooking) under DAFF control.

We implemented a new policy to allow the importation of live ornamental rock lobsters sourced from the Torres Strait Protected Zone through Papua New Guinea. The policy arose from years of negotiations with Papua New Guinea authorities, the agent that built and operated the holding facility on Daru Island and the Australian importer. The policy has provided regional development and capacity building in Papua New Guinea.
Managing exports

Table 17 Size of the export task

<table>
<thead>
<tr>
<th>Item</th>
<th>2012–13</th>
<th>2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export certificates for eggs</td>
<td>334</td>
<td>258</td>
</tr>
<tr>
<td>Export certificates for wool</td>
<td>11 325</td>
<td>11 174</td>
</tr>
<tr>
<td>Export certificates for fish</td>
<td>23 076</td>
<td>28 285</td>
</tr>
<tr>
<td>Export certificates for meat for human consumption</td>
<td>143 725</td>
<td>122 342</td>
</tr>
<tr>
<td>Export certificates for dairy</td>
<td>33 644</td>
<td>32 681</td>
</tr>
<tr>
<td>Export certificates for skins and hides</td>
<td>9 739</td>
<td>8 378</td>
</tr>
<tr>
<td>Export certificates for meat byproducts</td>
<td>4 806</td>
<td>3 611</td>
</tr>
<tr>
<td>Export certificates for grains and horticulture produce</td>
<td>54 810</td>
<td>51 575</td>
</tr>
<tr>
<td>Cat exports</td>
<td>3 135</td>
<td>3 139</td>
</tr>
<tr>
<td>Dog exports</td>
<td>7 885</td>
<td>6 998</td>
</tr>
<tr>
<td>Live cattle exports</td>
<td>644 469</td>
<td>696 097</td>
</tr>
<tr>
<td>Live sheep exports</td>
<td>2 040 106</td>
<td>2 662 431</td>
</tr>
<tr>
<td>Live goat exports</td>
<td>62 010</td>
<td>62 164</td>
</tr>
</tbody>
</table>

Delivering export certification reforms

In 2012–13, the government allocated a further $39 million to support industries transitioning to new export certification arrangements, including new fees and charges, and to support ongoing implementation of the export reforms.

The reforms achieved in six export commodity areas (dairy, fish, grain, horticulture, live animal and meat exports) have reduced government costs by around $30 million and have provided alternative service delivery options for most sectors. Export industries now have the option of using appropriately trained Authorised Officers to carry out designated tasks previously undertaken by departmental officers.

Committees representing the grain and plant products industry and the horticulture exports industry were established as the principal forum for consultations on export inspection and certification. The committees provide for an effective partnership between DAFF and industry stakeholders involved in phytosanitary exports.

Improving market access

We worked to address biosecurity risks in negotiating new or improved access to markets and maintaining existing trade. We also developed certification for a range of commodities and markets through negotiations and technical submissions. Some highlights included:

- maintaining or regaining access for specific pathogen-free eggs to Indonesia, Japan and the United States during and after an outbreak of highly pathogenic avian influenza in a poultry flock in New South Wales in November 2012
- reaching agreement on health certificates to enable trade in feeder cattle and queen bees to the Solomon Islands
- gaining access for the export of live ornamental finfish and coral to Brazil, live redclaw crayfish to Myanmar, live Murray cod to Malaysia and live barramundi to Saudi Arabia for breeding purposes
- reaching informal agreement with Japan to allow table grape exports
- restoring or gaining access for various seeds, nursery stock and cuttings for export to Bolivia, Chile, Peru and Uruguay
- reaching agreement with China to re-establish canola exports for processing under an experimental protocol, and to provide new access for Australian cherry exports and grapeseed for processing.

More information on our market access work is available in Program 1.13 (page 84) and at daff.gov.au/market-access-trade.

**National Residue Survey**

The National Residue Survey (NRS) expanded arrangements with Citrus Australia Limited for a market access monitoring program focused on facilitating citrus exports to Japan. In 2013, the citrus testing program will be broadened to all key citrus export markets.

The NRS has maintained its National Association of Testing Authorities accreditation as a proficiency test provider and is certified to AS/NZS ISO 9001:2008 for its quality management system. During the year it commenced its triennial laboratory tender process for 2014–17.

The NRS continues to improve its redeveloped database and associated information management system in cooperation with participating industries and analytical laboratories.

Appendix 6 provides the annual report for NRS and includes key financial information in accordance with the *National Residue Survey Administration Act 1992*.

More information is available at daff.gov.au/agriculture-food/nrs.
Challenges

Sustainable funding
The majority of biosecurity services (slightly more than 60 per cent in 2012–13) are funded on a cost-recovery basis. Budget funding and most cost-recovery rates, particularly for imports, have not been changed for several years and have not kept pace with the operational changes arising from biosecurity reform. Sustainable, efficient and integrated biosecurity funding arrangements are needed to support biosecurity reform.

Authorised Officer program
Implementation of the Authorised Officer program has led to a number of challenges, including the high volume of competency assessments required, the implementation of cost-recovery for the services provided and the management of data within the Authorised Officer Database.

We have commissioned the Plant Exports Assurance Framework project to address concerns about monitoring Authorised Officers appointed to perform plant export inspections.

Honey bee imports
Preparations have been made for resumption of honey bee imports. Key products needed to treat imported honey bees for parasitic mites are not available in Australia and imports cannot resume until suitable products are available. The department has applied to the Australian Pesticides and Veterinary Medicines Authority for minor use permits to import and use relevant products as part of the post entry quarantine process for imported honey bees.

Bushfire threat
In February 2013, we safely evacuated 76 cats and dogs from the Byford Quarantine Facility in Western Australia when a bushfire threatened the surrounding area. The evacuation effort was extensive as biosecurity risk, animal and human health and welfare, and client communications had to be coordinated precisely. All animals were evacuated safely and the exercise was managed effectively without any biosecurity or welfare issues. The facility reopened in June 2013, coinciding with the end of the risk period defined by the state Department of Fire and Emergency Services.
Program 2.2: Plant and animal health

Program objective

- support access to overseas markets and protect the economy and the environment from the impacts of unwanted pests and diseases through the safe movement to and from Australia of animals, plants and their products, including genetic material, people and cargo.

Program description

Our biosecurity program works to keep Australia free from some of the world’s major agricultural and aquatic pests and diseases, providing a trading advantage and continuing access to overseas markets. We protect Australia’s plant and animal health through education and awareness to prevent incursions and work to ensure robust response plans are in place if an outbreak occurs.


Key performance indicators

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>2012–13 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses to pest and disease incursions and outbreaks are managed according to relevant frameworks</td>
<td>100%</td>
<td>Met</td>
</tr>
<tr>
<td>Reports to international bodies provide up-to-date information on Australia’s animal, plant and marine health status, as required by international agreements</td>
<td>100%</td>
<td>Met</td>
</tr>
<tr>
<td>Fund key national surveillance, response and diagnostic capabilities</td>
<td>100%</td>
<td>Met</td>
</tr>
<tr>
<td>Within budget constraints, deliver capacity building projects to the Asia–Pacific region, to manage pests and diseases</td>
<td>100% of budget utilised</td>
<td>Met</td>
</tr>
</tbody>
</table>
### Key performance indicator

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Representation of Australia’s interests at relevant standard setting fora</td>
<td>26 meetings (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>AUSVETPLAN, AQUAVETPLAN, EMPPLAN and PLANTPLAN reflect current science of emergency responses to plant and animal pests and diseases</td>
<td>All plans reflect current science</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td>Timely development of National Environmental Biosecurity Response Agreement (NEBRA) schedules to provide guidance for implementation</td>
<td>Draft 3 schedules (^a)</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) New performance indicator.

### Scientific and economic research

<table>
<thead>
<tr>
<th>Scientific and economic research</th>
<th>85% (^a)</th>
<th>Performance</th>
<th>2012–13</th>
<th>2011–12</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underpinning research, advice, forecasts, projects, products and data services are delivered on time, within budget and are of high quality</td>
<td>Met</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
</tbody>
</table>

### Achievements

#### Supporting a national approach to biosecurity

We continued to work with the states and territories to implement the Intergovernmental Agreement on Biosecurity (IGAB). This included finalising outstanding schedules to the National Environmental Biosecurity Response Agreement (NEBRA) on the conduct of cost-benefit analyses, distribution of inland water diseases and distribution of marine diseases.

We developed a national framework to help jurisdictions adopt a consistent approach to engagement and communication plans. We also completed the first phase of a research, development and extension capability audit to capture information on current personnel and infrastructure and government investment in biosecurity related research and development activity.

#### Pest surveillance

We facilitated a national plant biosecurity surveillance strategy, with agreement from all state and territory jurisdictions. This included collating data in a nationally coordinated information management system to enable the sharing of surveillance information between national and international agencies, to guide decision-making and to contribute to the evidence required when making official claims around Australia’s pest-free status.

DAFF continued to implement a national plant pest surveillance program to improve Australia’s capacity for early detection of a range of plant pests. The program includes the Multiple Pest Surveillance program, ports of entry trapping for fruit fly and Asian gypsy moth and surveillance data management components. The program is used to increase confidence in Australia’s pest-free status to gain market access.

#### National Plant Health Policy

We lead and coordinate development and implementation of national plant health policies and programs through national committees, including the Plant Health Committee (PHC). An internal review during the year led to changes being implemented for management of the PHC, including...
establishing a clear line of sight between the PHC, the National Biosecurity Committee and the IGAB, and benchmarking progress against strategic priorities identified in the IGAB and the National Plant Biosecurity Strategy.

Key initiatives for the PHC in 2012–13 included reviews of interstate trading processes and cost sharing arrangements for the Long-term Containment Strategy for Exotic Fruit Flies in Torres Strait. Outcomes from these initiatives will be considered in 2013–14.

Managing major pest and disease incidents

**Delivering a Hendra virus vaccine**

In August 2012, the Australian Pesticides and Veterinary Medicines Authority issued a ‘minor use’ permit to allow supply of a Hendra virus vaccine for horses. Release of the vaccine was a significant achievement in being able to protect horses and humans from the disease.

The permit sets strict conditions for use of the vaccine, including administration by accredited veterinarians and identification of vaccinated horses by a microchip, with their details recorded in a database. Research continues on the vaccine to assess its suitability for full registration.

**Preparing for foot-and-mouth disease**

Good progress was made in implementing the national action plan to improve Australia’s management of the risk of a foot-and-mouth disease (FMD) outbreak. Achievements include a national policy for vaccination against FMD, a revised AUSVETPLAN FMD strategy manual, a draft report on national carcass disposal mapping and analysis, and agreement on national definitions of swill and swill feeding.

We also facilitated training in FMD endemic countries to give Australian vets, producers and stock handlers experience in identifying FMD, implementing biosecurity strategies and conducting initial disease investigations. In 2012–13, 62 Australians attended training in Nepal, and another 40 were scheduled to attend training in September 2013.

**National emergency response management**

In 2012–13, there were 58 reports under the Emergency Plant Pest Response Deed (EPPRD), 15 marine pest reports sent to the Consultative Committee on Introduced Marine Pest Emergencies and two reports under NEBRA. The Australian Government also responded to 16 new animal disease incidents.

Five animal incidents resulted in notification to the relevant emergency animal disease consultative committee. In most cases, the animal diseases detected were not of economic significance or were not considered technically feasible and/or beneficial to eradicate.


The NMG also considered ongoing cost-shared responses for eradication of electric ant, chestnut blight, four tropical weeds and low pathogenicity avian influenza in ducks.

**Red imported fire ant**

The NMG sought assessments of the red imported fire ant eradication program. ABARES undertook a cost-benefit analysis of the eradication program, taking into account the effectiveness of recently introduced remote sensing technology that has been used to identify nests. We facilitated an independent efficiency audit in association with Biosecurity Queensland. The NMG concluded there was a strong economic benefit from eradication and that it remains feasible.
As at 30 June 2013, the Australian, state and territory governments had invested a total of $266 million in this eradication program. In May 2013, the Standing Council on Primary Industries (SCoPI) agreed to continue the program in 2013–14.

**Emergency response levies**

Animal and plant industry groups are strongly encouraged to become signatories to the EADRA and the EPPRD to ensure their contribution in the event of a nationally cost-shared emergency response. We helped the Cherry Growers of Australia Inc. and Summerfruit Australia Limited establish levies for Plant Health Australia membership and emergency responses. We helped a range of other industry bodies progress similar proposals.

*Sycamore lace bug*: This close-up of an invasive pest was the winning image in the Patterns Within Life category of the 2013 DAFF Photo Competition.

Photo: Craig Hull
Transition to management

We worked with state and territory governments and industry to develop a new approach to deal with incursions that cannot be eradicated but where further nationally coordinated action is needed. The approach aims to assist primary producers and the community to transition to ongoing management of the pest or disease.

We also worked with state and territory governments and industry to continue implementing two pilot programs aimed at limiting the spread and impact of Asian honey bees and improving our understanding of the plant disease myrtle rust.

Building international ties

World Organisation for Animal Health

The Australian Chief Veterinary Officer (ACVO) was elected to the World Organisation for Animal Health (OIE) Council in May 2012. The ACVO’s influence has led to improved transparency, with summary reports of OIE council meetings now provided to all delegates. Regional consultation has also been improved with issues sought from the region for addition to the council agenda.

Since May 2012, DAFF staff members have also represented Australia on the OIE Aquatic Animal Health Standards Commission and the OIE Animal Welfare Working Group.

Australia Indonesia Partnership for Emerging Infectious Diseases

We have established an effective working partnership with the Indonesian Government to strengthen veterinary services in Indonesia. Progress under the Australia Indonesia Partnership, funded by the Australian International Development Agency (AusAID), included:

- improving emergency and emerging disease preparedness and response
- assisting the regional control of an endemic zoonotic disease (brucellosis)
- developing an integrated animal health information system to improve laboratory capacity to diagnose animal diseases
- strengthening quarantine risk analysis and risk management
- improving disease recognition and reporting at the local level.

Both Indonesian and Australian agencies are working hard to make the partnership successful. The program supports our focus on enhancing Australia’s biosecurity interests through international partnerships.

Regional animal biosecurity program

The value of our regional biosecurity program was demonstrated by Papua New Guinea’s response to an outbreak of Newcastle disease in chickens in Sandaun Province. An officer, trained during multiple DAFF-led surveillance activities, detected a suspected case using rapid tests provided by the department, and sent diagnostic specimens to the Australian Animal Health Laboratory where tests, paid for by DAFF, confirmed the disease and indicated the likely source.

Authorities responded quickly, implementing Papua New Guinea’s emergency animal disease response plan, which was developed in conjunction with DAFF through an AusAID funded project completed in 2012.
Tracking regional plant health: The P-tracker system is enhancing the capabilities of plant health scientists from DAFF and Australia’s neighbours Timor-Leste, Papua New Guinea and the Solomon Islands. The suite of digital data collection, consolidation and mapping tools is helping with the analysis of biosecurity surveillance activities across the region. These activities provide early warning of exotic plant pests and disease movements to help manage biosecurity risks offshore.

A picture from the P-tracker system on a smart phone.

Photo: DAFF
Scientific and economic research

ABARES is preparing a regulation impact statement on the introduction of an improved National Livestock Identification System for sheep and goats. The Primary Industries Standing Committee under SCoPI found that the system does not currently enable tracing of animals to national performance standards. A regulation impact statement is required before SCoPI can make any decision to implement improvements to the system.

Challenges

Building partnerships for biosecurity

New ways of working with state and territory governments and industry are needed to ensure efficient and effective processes and biosecurity actions can be supported. The department continues to work with jurisdictions to improve and streamline arrangements for the prevention, eradication and management of pests and diseases within our borders.

Defence trade controls

The department’s Chief Scientist played a lead role in response to concerns from a number of biosecurity research stakeholders about the impact of the Defence Trade Controls Bill 2011. The legislation seeks to introduce permits for trade in intangible technology such as any knowledge which could have security implications. Researchers in areas of plant, animal and pathogen biosecurity can fall within the scope of this legislation.

The Chief Scientist engaged in a range of stakeholder meetings and roundtable discussions to review Department of Defence proposals to address stakeholder concerns. The engagement process satisfied our stakeholders that the revised arrangements would allow them to meet their obligations to undertake research and collaboration activities. The Bill was passed into legislation in October 2012.