



**TERMS OF REFERENCE  
AUSFTA DAIRY QUOTA REVIEW - 2008**

**Background**

The Australia USA Free Trade Agreement (AUSFTA) dairy quota arrangements were negotiated with the dairy industry on the basis that a formal review of the quota arrangements would be undertaken after three years' operation.

The quota arrangements commenced operation in January 2005 and the Hon Tony Burke MP, Minister for Agriculture, Fisheries and Forestry, has agreed to the review being conducted in early 2008. Any changes resulting from the review are to be implemented by the start of shipping for the 2009 quota year ie. by 1 November 2008.

The Minister has determined that the 2008 review be undertaken by an independent Quota Review Panel (QRP) with secretariat assistance to be provided by the Australian Government Department of Agriculture, Fisheries and Forestry.

**Terms of Reference**

The QRP will examine and report on:

1. The appropriateness, effectiveness and efficiency of the current quota management arrangements.
2. Identify areas where improvements to the quota management arrangements could be made, including in the areas of:
  - options for the management of quota categories;
  - options for the allocation of quota entitlement;
  - minimum allocations, having regard to commercial practices;
  - provision for access to the AUSFTA quota for new entrants;
  - quota transfer arrangements;
  - measures to deal with unused quota, including incentives and/or penalties if applicable, that will maximise the commercial use of Australia's in-quota access to the US dairy market;
  - the legislative framework underpinning quota management;
  - cost recovery arrangements;
  - transitional arrangements from the current procedures to those recommended by the QRP; and
  - any other area related to quota management that the QRP considers is relevant.
3. The implications of the provisions of the AUSFTA on the administration of the dairy quota in 2008 and subsequent years.

**Considerations**

In undertaking the review, the QRP should have regard to quota fill outcomes, the cost and responsiveness of quota administration, and the commercial requirements of individual quota holders.

The Panel should take into account the views of industry representatives and individual exporters and processors.

**Timing**

The QRP should provide its report to the Minister not later than 30 May 2008.