

PRIMARY INDUSTRIES MINISTERIAL FORUM

Communiqué

PRIMARY INDUSTRIES MINISTERS

29 FEBRUARY 2008

Commonwealth, state and territory ministers with responsibility for primary industries met in Cairns on 28-29 February 2008 for a special Ministerial Forum.

The forum was convened to develop an action plan for tackling the critical challenges facing the sector:

- responding to climate change
- improving drought policy
- enhancing productivity
- progressing market access.

Ministers agreed that there is a unique opportunity for all governments to cooperate on a range of actions in these areas. Ministers emphasised that these issues cannot be dealt with in isolation, and that a coordinated, cross-jurisdictional approach is vital. They also acknowledged the importance of policy consistency across governments more broadly.

In considering these issues, Ministers recognised that the speed and extent of drought recovery will vary significantly across the country. Despite floods in some areas, drought recovery has not started in others and 69 per cent of Australia is still declared to be in Exceptional Circumstances. Even under the most optimistic scenario, the agricultural sector is facing serious challenges maintaining productivity growth. Such growth has underpinned the sector's prosperity for many years but it is clear that the pressures are greater than ever before.

Ministers therefore agreed to the initiatives outlined below, to be driven through a refocused Primary Industries Ministerial Council work agenda over the next eighteen months.

Responding to climate change

Ministers reaffirmed that climate change poses a significant, permanent challenge for primary industries, requiring changes to production systems, scale of operations and management of risks. They will work closely with industry in developing emissions management strategies and assisting industries to understand the potential effects of the national emissions trading scheme.

Ministers agreed to coordinate adaptation, mitigation and R&D policies and programs, to best support a flexible, adaptable industry able to meet the sustainable lift in productivity growth required to meet the challenge of a changing climate.

They further acknowledged the need to understand and take into account the likely social impacts of climate change on rural and regional Australia.

Ministers will settle specific actions in these areas at their April council meeting, with implementation to begin as soon as possible.

Improving drought policy

Ministers agreed that current approaches to drought and exceptional circumstances are no longer the most appropriate in the context of a changing climate. Drought policy must therefore be improved to create an environment of self-reliance and preparedness and encourage the adoption of appropriate climate change management practices.

At their April council meeting Ministers will agree a plan for improving drought policy, including a schedule of reviews in the following areas:

- relevant social dimensions and policy responses to drought and exceptional circumstances
- the provision of accessible, social welfare support, including eligibility criteria
- the effectiveness of business support payments
- the effectiveness of financial risk management strategies, including Farm Management Deposits
- the effectiveness of preparedness policies
- cost-benefit analysis of state and federal drought assistance.

Ministers also agreed that the framework for improving drought policy must include a strategy for managing any transition to new arrangements, and that rules for those producers currently receiving assistance would not be changed.

Enhancing productivity

Ministers agreed that continued productivity growth is of fundamental importance to the agriculture and food sectors. Primary producers must focus on increasing productivity to maintain and increase the profitability and sustainability of their businesses. They acknowledged the added pressure climate change brings to the importance of maintaining productivity growth.

Ministers agreed to consider a specific set of influences that are key to agricultural productivity growth including:

- the regulatory framework
- R&D and access to technologies
- water management
- training and education
- skills and labour supply, including retaining and attracting young people
- biosecurity
- infrastructure
- scale of production
- land use intensity.

At their April council meeting Ministers will settle priority actions – and a specific plan for delivery – to meet the challenges in these areas, including any regulatory impediments.

Ministers agreed to collate data on the full value chain of agricultural production in the economy, from paddock to plate, and assess the productivity opportunities through the value chain.

Ministers also recognised that effective research and development is fundamental to continued productivity growth. They agreed to accelerate cross-jurisdictional work on strategic R&D priorities and on a national collaborative approach to undertaking R&D.

Progressing market access

Ministers agreed to work together to open overseas markets to Australian produce, by seeking the removal of unjustified policies and regulations in our export markets that impede the productivity and competitiveness of our agricultural industries.

Ministers also agreed to the importance of domestic policies that are consistent with our international obligations, as well as promoting productive and competitive industries – such as a transparent, science-based approach to quarantine policy in Australia.

Ministers agreed to work towards national consistency on issues related to international market access, recognising the potential for regional differentiation.

Ministers also agreed to continue analysis of concepts such as food miles, and contribute to any projects investigating the application of carbon footprint calculations used for marketing or trade related measures.

The way forward

This Ministerial Forum has produced a shared view of the priorities, the urgency, and the work that must be undertaken. Ministers agreed to hold similar forums to progress the agenda agreed today.

Ministers have affirmed the importance of cooperation between the Commonwealth, states and territories to the future success of Australia's primary industries.

Ministers have agreed to work on the priority actions agreed during the Ministerial Forum and provide progress updates through the auspices of the Primary Industries Ministerial Council. The agendas of Ministerial Council, and its associated standing and sub-committees, will be based around these activities, with clear timetables established.

Finally, Ministers have emphasised their commitment to work closely with industries and farmers on these issues, to ensure governments' work agenda complements the sector's priorities, and encourages – rather than impedes – long term competitiveness, profitability and sustainability.