

**Policy coordination  
to facilitate food exports and enhance  
environmental performance:  
some Australian perspectives**

Digby Gascoine

UNESCAP Regional Workshop  
Bangkok, 16-18 October 2006

Session 9

**Outline**

- Australia as a food producer and exporter
- Shared perspectives of government and industry in Australia
  - clean/green
  - farm-to-table approach
  - industry onus
  - co-regulation
  - cost recovery
- Policy initiatives over two decades
  - trade negotiations
  - Codex/CCFICS
  - AQIS/TMAP
  - FSANZ
  - Blair review
  - Supermarket to Asia
  - National Food Industry Strategy
  - industry initiatives (wine; red meat; etc.)
- Environmental aspects
- Implications for developing countries

## Australia as a food producer and exporter

- Australia is one of the leading countries in food exports
  - traditionally raw or semi-processed products
  - world's largest exporter of meat, dead and alive
  - major exporter of grains, fish, dairy products, sugar
- Increasingly an exporter of processed foods
  - wine
  - grocery items
  - etc.
- The food industry in Australia is very large
  - and it expects to work closely with government (both national and provincial)

## Shared perspectives of government and industry

- clean/green
  - Australia trades on its reputation as a supplier of high-quality, safe food
- farm-to-table approach
  - a breakdown in effective control at any point in the supply chain can have devastating results for export markets
  - whole-of-chain approach facilitates efficient regulation
- industry onus and co-regulation
  - industry has primary responsibility for food quality and safety,
  - therefore industry maintains food safety, and government is the auditor
- cost recovery
  - making industry pay for government regulatory activities encourages industry to use better, lower-cost systems of its own e.g. HACCP/quality control systems

## Policy initiatives over two decades

- Policy initiatives 1986-2006
  - trade negotiations (Uruguay and Doha Rounds; Bilateral FTAs)
  - Codex/CCFICS
  - AQIS/Technical Market Access Program
  - FSA NZ and regional harmonisation of norms
  - Blair review to rationalise administrative structures
  - Supermarket to Asia to focus efforts of industry and government
  - National Food Industry Strategy
  - industry initiatives (wine; red meat; etc.)

## Trade negotiations

- Australia participates very actively in trade negotiations
  - multilateral and bilateral
  - formal agreements and ad hoc
- Multilateral
  - initiator and chair of the Cairns Group of agricultural exporters
  - Asia Pacific Economic Cooperation
  - Doha Round
- Bilateral
  - Closer Economic Relations (CER) treaty with New Zealand
  - Free Trade Agreements e.g with the USA, Singapore, ??China
  - regular bilateral consultations at Ministerial/senior official level

## Codex/CCFICS

- Australia also works hard at the technical level to make trade conditions that free up international trade and are fair.
- For example, Australia took the lead in proposing and then (from 1992) hosting the Codex Committee on Food Inspection and Certification Systems.
  - with some specific objectives in mind.
- Active also in other international standard-setting organisations.

## AQIS Technical Market Access Program

- Key government agencies are committed to fulfilling export goals.
- The Australian Quarantine and Inspection Service designed a Technical Market Access Program (TMAP) intended to identify high-priority technical barriers to trade and systematically work to overcome them.
  - Working closely with export industries is an important aspect.
  - International acceptance of modernised meat inspection methods is a major success of TMAP
    - in cooperation with other, like-minded countries.

## Regional harmonisation of standards

- Australia and New Zealand are major partners in trade.
- CER was the most important initiative to eliminate unnecessary barriers
  - with large benefits for each party.
- Food Standards Australia New Zealand is a joint body to make uniform food standards for the two countries
  - using Codex standards wherever appropriate.

## Independent review to rationalise food control administration

- Administration of food control is notoriously complex
  - especially under a federal system of government (8 States and Territories in Australia).
- A comprehensive, business-oriented review was carried out in the late '90s
  - and progress of implementation is now being assessed.
- Various jurisdictions have established single, integrated food control agencies.

## Supermarket to Asia

- Also in the late '90s, business and government established Supermarket to Asia, a government-funded company to catalyse and support initiatives to promote Australian food exports to the region.
  - making food exports a national priority.

## National Food Industry Strategy

- From 2002 S. to A. was incorporated into a much larger National Food Industry Strategy
  - under the direction of a Council chaired by the Minister for Agriculture, Fisheries and Forestry.
- The Council brings together industry leaders and key Ministers.

•“Ensuring a stronger performance by the Australian food industry into the future will require a coordinated and cooperative effort from industry and Government.”

•The Strategy covers processed foods, including meat and dairy produce, processed seafood, beverages and ingredients and fresh horticultural produce and the whole food chain and related services.

•The Strategy aims to ensure long term resource availability and responsible management of environment, energy and waste.

•The Government has committed \$102.4 million over five years, from July 2002, to a number of targeted initiatives that will:

- enhance the innovative capacity of firms
- build industry skills and capabilities
- put in place an integrated and focussed export strategy
- provide infrastructure and capabilities to enhance product integrity and supply chain management in international markets.

NFIS funding has been provided for these initiatives:

- \$47.1 million aimed at enabling superior innovation performance by Australian based firms, including a \$12.4 million centres of excellence initiative and a \$34.7 million innovation grants program
- \$17.1 million to continue and expand the Technical Market Access Program
- \$5.3 million to establish a Food Industry Market Development program
- \$2.5 million to increase Australia’s capacity to pursue its objectives in international standard-setting bodies
- \$15.6 million to underpin the integrity of Australia’s food products
- \$14.7 million to establish and operate the new Council and to fund other tasks to support its work.

## Industry initiatives

- Strong industry organisations
  - wine
  - grain
  - meat
- Austrade, the Export Finance and Insurance Corporation, and other government agencies, provide support.

## Environmental issues affecting Australia's food trade

- water conservation and distribution
- waste management
- energy conservation
- agricultural chemicals
- deforestation
- soil conservation/salinity
- pests and diseases
- climate change

## Implications for developing countries

- engage with the international trade negotiations
- get involved with Codex activities
- have a market access strategy
- use regional initiatives as a platform for larger ambitions
- rationalise and strengthen national regulatory mechanisms
- build export infrastructure
- develop an export partnership with industry

## **Elements of a market access strategy**

- Identify impediments to exports caused by technical requirements applied by importing countries
- Classify barriers as to whether SPS or TBT measures
- Clarify the issues with the authorities of the importing countries
- Make a priority list of barriers to be addressed

### **Elements of a market access strategy (continued)**

- Design a program of activities to achieve better market access, starting with the highest priority items
- Implement the program by stages, starting with bilateral initiatives
- Commence multilateral initiatives when appropriate
- Monitor progress and re-design the strategy/program if necessary

### **Rationalise and strengthen national regulatory mechanisms**

- Common characteristics
  - unclear or overlapping mandates of government agencies; rivalry and non-cooperation
  - inadequate legal frameworks
  - no plan for systematic capacity-building based on needs assessment and prioritisation
  - regulatory culture and/or culture of corruption
  - management skills under-valued and under-utilised
  - no merit-based principle for recruitment or advancement
  - over-emphasis on capacity enhancement via laboratory development and study-tours

## Build infrastructure

- National resources are scarce
  - so priority allocation and efficient use are essential
- Donors are willing and able to help
  - but may lack coordination and confidence
- SPS/TBT capacity-building can be planned in a coherent and systematic way
  - using capacity assessment tools
  - focussing on export opportunities
  - identifying priorities
  - making a plan
  - designing projects
  - inviting donors

## Partnership with local industry

- Engaging the private sector and government is essential
  - for identifying opportunities and priorities
  - for implementation
- Alliances with the private sector in importing countries may be helpful in dealing with SPS/TBT import barriers.

Thank you!

Digby Gascoine  
[digby@gascoine.net.au](mailto:digby@gascoine.net.au)

PO Box 4012, Manuka,  
Australia 2603  
61 438 317919  
612 62301021 (fax)