

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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Arrangement Regarding Bovine Meat

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INTERNATIONAL MEAT COUNCIL

Inventory of Domestic Policies and Trade Measures
and Information on Bilateral, Plurilateral
or Multilateral Commitments

Reply to Parts G and H of the Questionnaire

AUSTRALIA

Revision

The participants have agreed to provide information concerning their domestic policies and trade measures including bilateral and plurilateral commitments on the basis of Parts G and H of the Questionnaire (Rule 16 of the Rules of Procedure). The documents containing replies to these parts of the Questionnaire are circulated under the symbol IMC/INV; they will be revised as and when changes are notified.

This set of documents constitutes the inventory of all measures affecting trade in bovine meat, including commitments resulting from bilateral, plurilateral and multilateral negotiations, which the Council has instructed the secretariat to draw up and keep up to date, under the provisions of Article III of the Arrangement (Note to Article III of the Arrangement and Rule 18 of the Rules of Procedure).

PART G

PART G.1 INFORMATION ON DOMESTIC POLICIES AND TRADE MEASURES

I. PRODUCTION

(A) DESCRIPTION OF BEEF INDUSTRY

Australia is a major producer and exporter of beef and veal and the industry is of major significance in both the rural and general economy of Australia.

The cattle herd in Australia numbered some 22.2 million at 31 March 1984. Beef and veal production was 1,248 kt. in 1984 and is forecast at around 1,306 kt. in 1985 and 1,333 kt in 1987.

The gross value of production of the beef industry, including dairy cattle for meat and the value of animals exported live, was \$A 2,040 million in 1983/84. This represented almost 14 per cent of the gross value of rural output of \$A 14,997 million in the same year.

In March 1984 there were some 52,500 properties with fifty or more beef cattle and a further 41,700 properties with less than fifty beef cattle. Some 80 per cent (75,400) run less than 200 beef cattle while 3 per cent have 1,000 head or more. Beef cattle properties of less than 200 hectares total 39,100 (42 per cent) while 11,800 (13 per cent) of properties are more than 2,000 hectares in area.

Some 49 per cent (617 kt. carcass weight equivalent) of total production of beef and veal was exported in 1984. The proportion of production exported has been consistently near or over 50 per cent in recent years, indicating the industry's orientation towards the export trade. The main factor influencing beef prices in Australia is export demand particularly that from the United States. There is a very high correlation between Australian saleyard prices and prices for manufacturing-grade beef in the United States.

The Australian cattle industry is based on range grazing of cattle from birth to slaughter. Only a very small proportion of cattle are prepared through feed-lot operations.

The industry operates essentially in a free market situation where levels of production, consumption, exports and prices are determined by the interaction of cattle supplies with demand by processors catering for the domestic market, by exporters and at times, by producers for restocking.

(B) GOVERNMENT POLICIES AFFECTING PRODUCTION

Policies relating to the Australian cattle industry form an integral part of overall policies for the rural sector generally.

Constitutional powers relating to agricultural production rest primarily with the States, whose Governments administer such matters as agricultural education, advisory and extension services, production controls (where applicable), and tenure and settlement policy as well as intra-State trading.

For example a function of the Australian and State Governments is to make available to producers information on the market situation and outlook, both domestically and overseas, to assist them in making informed production decisions.

The Australian Government is particularly concerned with providing assistance to the cattle industry to facilitate structural adjustment processes. It also contributes towards disease control programmes, export inspection costs and the funding of scientific and economic research into factors affecting production, processing and marketing in the industry. A limited range of indirect assistance measures is also available.

Direct Government involvement in the industry is limited. The Australian Government aims to foster an economic environment within which cattle producers can adjust their production levels to meet available demand on domestic or export markets at remunerative price levels, determined by the market. For example the Australian Government has carriage of bilateral and multilateral negotiations to seek maximum favourable access conditions for exported Australian beef, which is of benefit to the industry overall.

1. PRICE POLICIES AND RELATED MEASURES

Australian cattle producers receive no price or income guarantees. The majority of cattle are sold at traditional saleyards on a per head or live weight basis, although direct transactions between producers and buyers are also common, either in the form of on-farm sales or through the consignment of stock to meat works where producers are paid on a carcass weight and grade basis. Direct sales to processors according to objective carcass measurements have been encouraged by the Australian Government's support of the implementation of carcass classification in meatworks. Prices received by producers are determined by demand on the Australian and overseas markets and the level of Australian supply.

2. NON-PRICE MEASURES

(a) GENERAL ASSISTANCE

Assistance can be made available to the industry under the Rural Adjustment Scheme, primarily in the form of loans at concessional rates of interest, to facilitate structural adjustment within the industry. The overriding objective of the Scheme is to help restore the economic viability of those farms and farmers with the capacity to maintain viability once achieved. Assistance is provided for debt reconstruction, farm build-up, farm improvement, and carry-on finance. Rehabilitation and household assistance are also provided to alleviate personal hardship where economic circumstances force a producer to leave the industry.

On past occasions, the Australian Government has initiated emergency assistance measures to alleviate the plight of farmers affected by natural disasters. There are no such measures operating currently. The States administer normal natural disaster relief arrangements, which are partly funded by the Commonwealth. These relief measures are available to eligible primary producers in times of natural disaster such as floods, bushfires or drought.

Australian producers can alleviate income instability to some extent by taking advantage of income averaging provisions for taxation purposes which are available to all primary producers. In addition, under the Income Equalization Deposits Scheme producers are encouraged to set aside funds during high-income years for use during low-income years. Under the Scheme, tax is not paid on these deposits in the year they are lodged but an income tax liability arises when the deposits are repaid to the producer.

(b) CREDIT FACILITIES

Cattle producers are able to benefit from special credit facilities available to the rural industry generally through the Commonwealth Development Bank and the Primary Industry Bank of Australia.

The Commonwealth Development Bank was established to supplement traditional sources of development finance for both primary producers and industrial undertakings where credit would not otherwise have been available on reasonable terms and conditions. The Bank's main criterion when providing credit assistance is the prospect for success of the venture rather than the amount of security available. The Bank also provides finance on hire-purchase terms for vehicles, equipment and machinery.

The Primary Industry Bank of Australia was established to provide a facility for long-term lending to primary producers, thus augmenting existing forms of credit from banks and other lenders. The Primary Industry Bank operates as a refinance Bank, borrowing funds for lending to existing financial institutions which are approved prime lenders and which in turn on-lend the funds to individual primary producers. Refinance loans are a matter for negotiations between the primary producer and the prime lender on a normal commercial basis with economic viability continuing to be the primary consideration. The Commonwealth Government may make funds available to enable the Bank to provide funds on terms more favourable than would otherwise be practicable.

(c) INPUT SUBSIDIES

Limited input subsidies are available to all farming industries in Australia, including the cattle industry, in the form of subsidies on fertilizer use. The current rate for nitrogenous fertilizers is \$20 per tonne of contained nitrogen and for superphosphate from \$12 per tonne.

The abattoir industry does not benefit from grants or other specific assistance measures from the Australian Government. However, State or local government-owned abattoirs are at times provided with direct grants or concessionary loans.

(d) ANIMAL HEALTH

The Australian Government has substantially increased Commonwealth funding for major test and slaughter programmes to eradicate brucellosis and tuberculosis in Australian cattle and buffalo. This increased funding will ensure an acceleration of the programme in remote areas. Large areas of Australia are already completely free of these diseases.

(c) STABILIZATION/SUBSIDY PROGRAMMES

There are no stabilization and/or direct subsidization programmes offered by governmental or other bodies in Australia to cattle producers or to producers in other sectors which affect cattle production.

II. INTERNAL PRICES AND CONSUMPTION

Prices at producer, wholesale, retail or export levels are determined by market forces. Promotion of beef and veal on the domestic market is undertaken primarily by the Australian Meat and Livestock Corporation, which is financed by industry funds. The Corporation is concerned to halt the declining consumption of beef and veal in Australia and has recently engaged a consultant nutritionist to enable a comprehensive campaign encompassing both promotional and nutritive aspects to be presented.

III. MEASURES AT THE FRONTIERS

(a) CUSTOMS TARIFF

Import duties are levied at the levels specified in Annex A.

A 2 per cent revenue duty has been applied since 1 July 1979 to most tariff items normally admitted free of duty and not subject to tariff rate bindings or bilateral trade agreements at this level.

(b) IMPORT MEASURES AT TARIFF LINE LEVEL

As a member of the GATT since its inception, Australia has placed considerable emphasis on avoiding measures contrary to the spirit of the Agreement. Apart from the 2 per cent duty referred to above, Australia has not imposed quantitative restrictions or any form of levy on imported bovine meat and livestock.

Australia has acceded to the CCC Nomenclature Convention and is so obliged to observe the requirements of it in its tariff.

There are no bilateral commitments or tariff rate bindings on imports of bovine meat and livestock into Australia.

Regulations applying under the Commerce (Trade Descriptions) Act require that imported articles used for food must have a trade description. This is required to be in the English language and should comprise details of the country in which the goods are produced, a true description of the goods and a statement of the metric weight or measure of the goods. As indicated in Annex A a product imported under tariff items 02.01, 02.06 and 16.02 requires such a marking.

(c) MEASURES AFFECTING THE LEVEL OF EXPORTS

No subsidies or refunds are provided in Australia for exports of beef and veal products or live cattle and calves.

All beef prepared for export must be processed in an establishment registered for export by the Department of Primary Industry. The Department is responsible for the development and maintenance of Australian hygiene standards with respect to livestock and meat, the inspection of all food produced in export establishments and the certification of exported meat in accordance with requirements of overseas countries.

Australian exports of red meat (for human consumption) and livestock may only be made by persons or firms licensed by the Australian Meat and Livestock Corporation, a statutory authority. It is funded by industry levies on livestock slaughterings and on exports of live animals.

The main functions of the Corporation are to regulate export trading in meat and livestock falling within its charter (cattle, sheep, goats and buffaloes), to encourage and promote the consumption and sale of Australian red meat and the sale of livestock both in Australia and overseas. The Corporation licenses meat and livestock exporters and regulates their activities by orders and directions on a variety of matters.

The Corporation also has power to guard against unacceptable trading conduct as needed, to protect Australia's international trading image, and has the power to negotiate shipping freight rates and issue orders to exporters concerning maximum freight rates and approved carriers subject to Ministerial approval.

In addition the Corporation has the power to engage in export trading of meat and livestock in its own right. To date the Corporation has not used its trading powers although the former Australian Meat Board did negotiate direct sales to the USSR in 1970-71 and 1975-76 and to the United States Defence Forces in 1967 and 1968. It is also open to the Corporation, subject to Ministerial approval, to act as sole trader to particular markets when it is considered that such action would best serve the interests of the Australian meat industry. When using trading powers the Corporation may, subject to Ministerial approval, also deal in livestock and meat futures.

To meet quantitative restrictions in any particular market, the Corporation can introduce arrangements to control Australian exports to that market. Control schemes in the past have applied to the United States,

Canada, the EEC and Japan. These schemes were designed to facilitate orderly export marketing and to ensure that exporters do not exceed the restraint or quota limits set by the importing country's Government. At present, a control scheme operates for high-quality beef and buffalo meat to the EEC.

(d) HEALTH REGULATIONS

In view of its isolation geographically, Australia enjoys a relatively disease-free status compared with many other beef-producing and consuming countries. In order to prevent the entry of exotic diseases, the importation of live animals and animal products is permitted only subject to compliance with the provisions of quarantine legislation.

The Australian Department of Primary Industry has recently been given responsibility for the administration of the plant and animal sections of the Quarantine Act 1908. The importation of animals, parts of animals, animal products, and certain goods is only permitted subject to compliance with the quarantine legislation and in all cases must be accompanied by documents specified in the legislation. On arrival the importation will be subjected to inspection and treatment as may be prescribed. This applies also to biological materials.

Importation is subject to restriction in the case of certain countries or made subject to certain conditions according to the disease status of the country wishing to export to Australia and the degree of assessed quarantine risk associated with the animal or animal product concerned.

In the specific case of bovine meat and livestock (see Annex B), uncooked beef may be imported only from Canada, New Zealand and the United States. Cooked beef can be imported from any country subject to its being contained in a hermetically sealed container of a type approved by the Director of Quarantine and subjected to appropriate retort temperatures.

Currently, live cattle are permitted imports directly into Australia only from New Zealand. Cattle from the Republic of Ireland, the United Kingdom and foreign-born cattle from New Zealand may be imported through the Torrens Island Animal Quarantine Station in South Australia. The Cocos Island Animal Quarantine Station in the Indian Ocean is designed to facilitate the importation of livestock from countries which require more stringent quarantine precautions. North America and Western Europe are examples of countries which are in that category. Live cattle imports to date have been of breeding stock only.

(e) QUANTITATIVE RESTRICTIONS ON IMPORTS OR EXPORTS

Quantitative restrictions are not generally applied to either imports or exports of beef and veal in Australia, except under circumstances described in paragraph 6 of (c) under this item.

ANNEX A

IMPORT DUTIES ON EDIBLE MEAT, MEAT PRODUCTS AND OFFALS
DERIVED FROM BOVINE ANIMALS

Tariff item	Commodity	Rates of duty	
		General tariff	Preferential tariff
01.02.000	Live animals of the bovine species Restrictions: Prohibited Imports Quarantine (Animals)	Free & 2% DC: Free	Free & 2% PNG: Free NZ: Free
Ex 02.01.000	Meat and edible offals of animals falling within 01.02, suitable for human consumption Fresh, chilled or frozen Exclusions: meat, raw, deep-frozen, coated with batter based on flour; sausage casings; goldbeater strands; fat Restrictions: Commerce Marking Quarantine (Animals)	Free & 2% DC: Free	Free & 2% PNG: Free NZ: Free
Ex 02.06.000	Meat and edible meat offals salted, in brine, dried or smoked, suitable for human consumption Exclusions: fat, sausage casings; goldbeater strands; organo-therapeutic glands (dried). Restrictions: Commerce Marking Quarantine (Animals)	Free & 2% DC: Free	Free & 2% PNG: Free NZ: Free
Ex 05.04.000	Guts, bladders and stomachs, whole and pieces thereof Restrictions: Commerce Marking Quarantine (Animals)	Free	Free

Tariff item	Commodity	Rates of duty	
		General tariff	Preferential tariff
Ex 16.01.000	Sausages, and the like, of meat, meat offal or animal blood Restrictions: Commerce Marking Quarantine (Animals)	10% DC: Free	10% PNG: Free NZ: Free
Ex 16.02	Other prepared or preserved meat or meat offal - excluding meat-flour, soups and broths, petfood	10% DC: Free	10% PNG: Free CAN: 5% FORUM ISLANDS: Free NZ: Free
Ex 16.03.000	Meat extracts and meat juices Exclusions: meat flour, soups and broths Restrictions: Commerce Marking Quarantine (Animals)	Free & 2% DC: Free	Free & 2% PNG: Free FORUM ISLANDS: Free NZ: Free

ANNEX B

REGULATION 82

82. (1) Meat or edible parts of animals (other than uncooked meat of bovine animals from Canada or the United States, cooked meats and cooked edible parts of animals contained in prescribed containers and animal casings) shall not be landed unless there has been produced to the Chief Quarantine Officer:

(a) a certificate by a Government veterinary surgeon certifying:

- (i) that the goods were derived from animals slaughtered for human consumption in the country in which the certificate is issued;
- (ii) that the animals from which the goods were derived were subjected to ante mortem and post mortem veterinary inspection at the time of slaughter and were free from contagious and infectious disease;
- (iii) that the goods were not exposed to infection prior to exportation;
- (iv) in the case of meat and edible parts of animals that the diseases foot and mouth disease, rinderpest and swine fever do not exist in the country in which the certificate is issued;
- (v) * * * *
- (vi) that the cargo compartment in which the goods are transported was, before the goods were loaded into it, thoroughly cleaned with a two per centum solution of sodium hydroxide or a four per centum solution of sodium carbonate (soda ash); and
- (vii) that the cargo compartment referred to in the last preceding sub-paragraph did not contain meat other than meat of Australian or New Zealand origin; and

(b) a declaration by the master of the vessel in which the goods were transported:

- (i) that no meat, other than meat of New Zealand origin, was placed in the cargo compartment referred to in the last preceding paragraph after the compartment had been cleaned in the manner referred to in sub-paragraph (vi) of the last preceding paragraph;
- (ii) that the cargo compartment was locked immediately after the goods including meat of New Zealand origin, if any, were stowed; and
- (iii) that the cargo compartment was only opened after the vessel had arrived in Australia.

(1.AA) Sub-paragraphs (vi) and (vii) of paragraph (a), and paragraph (b), of the last preceding sub-regulation do not apply to and in relation to meat or edible parts of animals transported in a vessel that trades exclusively between Australia and New Zealand.

(1.AAA) Subject to sub-regulation (1.AAB), uncooked meat of bovine animals from Canada or the United States shall not be landed unless the Chief Quarantine Officer for the animals division of quarantine in the State or Territory where it is proposed to land the meat has certified, by writing under his hand, that he is satisfied that:

(a) the meat was derived from an animal that was slaughtered for human consumption in that country;

(b) the animals were slaughtered, or the meat was packed on a specified date or dates;

(c) the animals from which the meat was derived were subjected to ante mortem and post mortem veterinary inspection and were found to be free of contagious and infectious disease;

(d) the animals were bovine;

(e) the meat does not include meat of any animal other than a bovine animal;

(f) the meat was not exposed to contamination prior to exportation;

(g) foot and mouth disease and rinderpest do not exist in that country;

(h) where the meat has been comminuted, no segment of the meat has a volume of less than 125 cubic centimetres;

(j) the abattoir or other establishment in which the meat was processed or packed did not, at the time the meat was processed or packed, hold:

(i) any ruminant or pig imported from a country other than Canada or the United States for immediate slaughter; or

(ii) any imported meat other than meat imported from Canada or the United States, as the case may be, Australia or New Zealand in accordance with the law of the country into which that meat was imported;

(k) the abattoir or other establishment in which the meat was processed or packed:

(i) is licensed, registered or otherwise considered acceptable by the Australian Government, for the purpose of exporting meat to Australia;

- (ii) has been allocated a number commonly known as a veterinary control number by the government of the country from which the goods were exported; and
 - (iii) that number is stamped on, or shown on an adhesive label stuck to the meat or the packing in which the meat is contained;
- (l) the meat was transported to Australia:
- (i) in a cargo compartment or container system unit that:
 - (A) was, before the meat was loaded into it, thoroughly cleaned with a 2 per cent solution of sodium hydroxide or a 4 per cent solution of sodium carbonate;
 - (B) did not, after it was so cleaned, contain any other meat; and
 - (C) was, after the meat was loaded into it, sealed with the official seal of the appropriate department of the government of the country from which the meat was exported and was incapable of being opened, after being so sealed, without breaking that seal; or
 - (ii) by air otherwise than in a container system unit and the packing containing the meat was sealed with the official seal of the appropriate department of the government of the country from which the meat was exported and was;
 - (A) fresh packing material incapable of being opened, after being so sealed, without breaking that seal; and
 - (B) enclosed in an outer transparent polythene wrapping; and
- (m) the seal on the cargo compartment or container system unit, or on the packing containing the meat, referred to in paragraph (l) has not been broken.

(1.AAB) Where:

- (a) the seal on the cargo compartment or container system unit in which uncooked meat of bovine animals from Canada or the United States was transported to Australia or, in the case of such meat transported to Australia by air otherwise than in a container system unit, on the packing containing the meat, has been broken; or
- (b) the cargo compartment, the containing system unit or the packing was not sealed as described in paragraph (1.AAA)(l)

the provisions of sub-regulation (1.AAA) shall be deemed to have been complied with, notwithstanding that the Chief Quarantine Officer referred

to in that sub-regulation has not certified under that sub-regulation in relation to the official seal on, or the sealing of, the cargo compartment, the container system unit or the packing in pursuance of paragraphs (1.AAA)(l) and (m), if the provisions of that sub-regulation have been complied with in every other respect and the Director of Quarantine has certified, by writing under his hand, that he is satisfied that the meat so transported to Australia has not been subject to contamination.

(1.AAC) Uncooked meat of a bovine animal from Canada or the United States landed in Australia shall not be released from quarantine until the expiration of the period of twenty-one days commencing on:

- (a) the date on which the animal was slaughtered; or
- (b) if that date is not certified under sub-regulation (1.AAA) in respect of that meat, the date on which the meat was packed.

(1.AB) Animal casings shall not be landed unless there has been produced to the Chief Quarantine Officer a certificate by a government veterinary surgeon certifying:

- (a) that the goods were derived from animals slaughtered for human consumption in the country in which the certificate is issued;
- (b) that the animals from which the goods were derived were subjected to ante mortem and post mortem veterinary inspection at the time of slaughter and were free from contagious and infectious disease; and
- (c) that the goods were not exposed to infection prior to exportation.

(1.A) Subject to sub-regulation (1.C) of this regulation, cooked meats and cooked and edible parts of animals, other than cooked meat, and cooked edible parts of birds (including poultry), contained in prescribed containers shall not be landed unless there has been produced to the Chief Quarantine Officer:

- (a) a certificate by a government veterinary surgeon certifying:
 - (i) that the goods were derived from animals slaughtered for human consumption in the country in which the certificate is issued;
 - (ii) that the animals from which the goods were derived were subjected to ante mortem and post mortem veterinary inspection at the time of slaughter and were free from contagious and infectious disease; and
 - (iii) that the goods were not exposed to infection prior to exportation; and

(b) a declaration by the manufacturer stating:

- (i) that, in the course of manufacture, every portion of the contents of the prescribed containers has been heated to a temperature of not less than 100°C; and
- (ii) the temperature of the heat used for that purpose and the length of time for which it was used,

which has been endorsed by a government veterinary surgeon or other responsible government officer in the country of manufacture with a certificate certifying that he is familiar with the process of manufacture of the goods and that he has no reason to doubt the truth of the declaration.

(1.B) Subject to the next succeeding sub-regulation, cooked meat, and cooked edible parts, of birds (including poultry) contained in prescribed containers shall not be landed unless there has been produced to the Chief Quarantine Officer:

(a) a declaration by the manufacturer stating:

- (i) that, in the course of manufacture, every portion of the contents of the prescribed containers has been heated to a temperature of not less than 100°C; and
- (ii) the temperature of the heat used for that purpose and the length of time for which it was used; and

(b) a certificate, endorsed on the declaration, by a government veterinary surgeon or other responsible government officer in the country of manufacture certifying that he is familiar with process of manufacture of the goods and that he has no reason to doubt the truth of the declaration.

(1.C) Cooked meats or cooked and edible parts of animals referred to in either of the last two preceding sub-regulations shall not be landed unless the Chief Quarantine Officer is satisfied that the temperature of the heat used and the length of time for which it was used to heat the contents of the prescribed containers, as shown in the declaration under this regulation relating to the cooked meats or cooked and edible parts, is sufficient to ensure that every portion of the contents of the prescribed containers has been heated to a temperature of not less than 100°C.

(2) This regulation shall not apply to:

(a) *

(b) fish; or

(c) samples of meat, edible parts of animals and animal casings imported subject to the permission of the Chief Quarantine Officer and under such conditions as he directs.

(3) In this regulation, "prescribed containers" means:

(a) a hermetically sealed can or tin; or

(b) a hermetically sealed container of a type approved by the Director of Quarantine.

82.A Dried blood and dried blood albumen from Canada, New Zealand or the United States shall not be landed unless the following documents have been delivered to the Chief Quarantine Officer:

(a) a declaration by the manufacturer made before a Magistrate that the dried blood or dried blood albumen was prepared from the blood of animals, other than pigs, slaughtered for human consumption under the supervision of a government veterinary surgeon; and

(b) a certificate by the supervising government veterinary surgeon that he is familiar with the process of manufacture of the dried blood or dried blood albumen and that he has no reason to doubt the truth of the declaration referred to in paragraph (a) of this regulation.

PART H

INFORMATION ON BILATERAL OR PLURILATERAL AGREEMENTS IN THE FIELD OF BOVINE ANIMALS, MEAT AND OFFALS

Within the Tokyo Round of GATT Multilateral Trade Negotiations, Australia reached agreements on beef with the United States, Japan, Canada and the EEC. These commitments are of a global nature and are open to contracting parties on an m.f.n. basis. Details of these undertakings are provided in the submissions by the countries concerned.

Specific concessions negotiated with Australia are:

- Levy-free access for 5,000 tonnes (product weight) or fresh, chilled or frozen high-quality beef to the EEC.
- Levy-free access for 2,250 tonnes (bone-out basis) of frozen buffalo meat to the EEC.