

CONFIDENTIAL

CABINET DECISION


NO. 840

Submission No.: 727
Title: CROCODILE FARMING

Cabinet approved:

- (a) immediate identification of areas of land suitable for crocodile farming;
- (b) preparation of guidelines for persons to tender for the establishment of a crocodile farm or farms;
- (c) advertising as quickly as possible for persons, co-operatives or syndicates to establish crocodile farms in the Northern Territory;
- (d) approach the appropriate Land Councils to see if they are interested in having a financial stake in a crocodile farming venture; and
- (e) that the Co-ordinator General in conjunction with the Territory Parks and Wildlife Commission and Territory Development Corporation oversight implementation of any project.

Cabinet expressed the view that since the farming of *crocodylus porosus* is taking place in Queensland, these would presumably be suitable to be farmed in the Northern Territory.



(M.R. FINGER),
Secretary to Cabinet.

5 September, 1979.

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FOR CABINET

SUBMISSION No: 727

<p>Title:</p> <p>Minister</p> <p>Purpose:</p> <p>Relation to existing policy:</p> <p>Timing/ legislative priority:</p> <p>Announcement of decision, tabling, etc:</p> <p>Acting required before announcement:</p> <p>Staffing implications, numbers and costs, etc:</p> <p>Total cost:</p>	<p>CROCODILE FARMING</p> <p>THE HON. P.A.E. EVERINGHAM, CHIEF MINISTER</p> <p>To establish a program leading to commercial exploitation of the N.T. Crocodile resource</p> <p>The existing full protection policy is re-establishing the crocodile population as a potential economic resource</p> <p>Growing public pressure to release the crocodile from full protection makes an early decision advisable</p> <p>Public media release of the decision should follow advice to other responsible administrations</p> <p>Seek concurrence from the Federal Minister responsible for the environment and the Council of Conservation Ministers</p> <p>One scientist and one technical assistant should be added to N.T.P.S. staff at a total annual cost of: Salary \$33 000; On-cost \$33 000</p> <p>Farm: Nett \$275 000; Research staff \$66 000 annually; Site not costed: Research facilities not costed</p>
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MEMORANDUM

TO: CO-ORDINATOR GENERAL
Through : DIRECTOR-GENERAL

*MR Z
25/8*

DATE: 24 AUG 1979

FROM: CHIEF MINISTER

REF:

RE: COMMERCIAL CROCODILE BREEDING FARM

Thank you for your memorandum of 20 August.

Although I have signed the attached submission, I cannot say that I am that keen to get the Government involved in crocodile farming. Whilst I am putting it forward to Cabinet, I am doing so on the basis of it being a discussion paper rather than giving it my complete support because I understand the crocodile farms in New Guinea are being run privately.

PAUL EVERINGHAM



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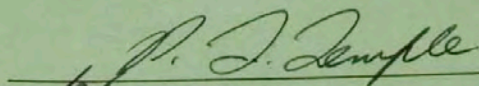
Department/Authority DEPARTMENT OF THE TREASURY

COMMENT ON CABINET SUBMISSION No.

TITLE: CROCODILE FARMING

COMMENTS:

Submission supported. Cabinet should be kept informed of progress on the project, particularly its financial viability, through annual reports.



SIGNED: A B ASHLEY

DESIGNATION: UNDER-TREASURER

DATE: 31 July 1979

CONFIDENTIAL

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Department/Authority DEPARTMENT OF LAW


COMMENT ON CABINET SUBMISSION No.

TITLE: CROCODILE FARMING

COMMENTS:

There are no constitutional barriers to this proposal.

There appear to be no legal barriers to this proposal providing that the necessary appropriation of funds for the project is made. Consideration may need to be given as to whether the project is to be administered within a Territory Department or by a Territory Statutory Authority.

SIGNED: 

DESIGNATION: CROWN SOLICITOR

DATE: 8 August 1979

CONFIDENTIAL

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Department/Authority PUBLIC SERVICE COMMISSIONER

COMMENT ON CABINET SUBMISSION No.

TITLE: COMMERCIAL CROCODILE FARMING

COMMENTS:

Assessment that the establishment of Commercial Crocodile Farming will require increase in N.T.P.S. staff of 2 plus employment of contract labour appears reasonable.

SIGNED: *P. J. Bartholomew*

P. J. BARTHOLOMEW for Public Service
Commissioner

DESIGNATION:

DATE:

CONFIDENTIAL

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THE ISSUES

1. To decide on a method of implementing Cabinet Decision No. 168 which states approval in principle for the establishment of a commercial crocodile farm in the Northern Territory.
2. Because uncontrolled exploitation by slaughter in the wild put both Australian indigenous species in danger of extinction, the Northern Territory, together with Queensland and Western Australia, has adopted a policy of total protection.
3. Australian crocodiles are now listed in the "International Convention on Trade in Endangered Flora and Fauna" to which Australia is a party.
4. It follows from this protection situation that any proposal for renewed exploitation would need to be instituted in consultation and in co-operation with the Commonwealth, Queensland and Western Australia Governments.

BACKGROUND

5. After consideration of Cabinet Submission 146 on 11 November 1977, the Executive Member for Resources and Health was requested by Cabinet to report back with a firm proposal for implementation. Preliminary research and investigation was undertaken in the Territory Parks and Wildlife Commission.

CONFIDENTIAL

.../3

6. On 30 January 1979, the Chief Minister instructed the Co-ordinator General to obtain in co-operation with the Territory Parks and Wildlife Commission and the Department of Industrial Development (now Department of Primary Production), details of commercial crocodile farming in New Guinea and find a suitable piece of land to be advertised for sale with certain covenants for commercial crocodile farming.

7. The work being done by the Territory Parks and Wildlife Commission was widened to include inquiry into the New Guinea operation. At the same time a consultant with experience in Rhodesia was commissioned to report on the feasibility of farming in the Territory.

8. On 26 March 1979, the Chief Minister further instructed the Co-ordinator General to examine the possibility of suggesting to the people at Garden Point establishment of a farm. The Co-ordinator General advised against such a suggestion pending the outcome of investigations then in progress.

9. The consultancy report was received in late May. On the basis of the costings provided, the prognosis for commercial farming was extremely gloomy. The report was found to be incomplete in essential details concerning labour and plant.

10. Officials of the Department of Primary Production then inquired further into the economic variables available to a farming enterprise and produced the series of options shown at Attachment "B".

11. Whilst the evaluation proved *Crocodylus porosus* (salt-water crocodile) the more profitable animal to use, information received later makes it clear that sufficient numbers of breeders could be trapped only at very great expense (expert opinion \$½ million). *Crocodylus johnstoni* (fresh-water crocodile) in adequate numbers can be trapped at nominal expense (as a by-product at no extra cost during current field research) and a further evaluation using this species has now been made (paragraph 12 refers). A research and experimental annexe to the farm could gradually collect *porosus* breeders for later development. The annexe could ultimately become the commercial supplier of *Crocodylus porosus* breeders for the whole industry.

12. A development budget for a *johnstoni* commercial breeding farm using less expensive methods than required for *porosus* and combined with tourist facilities is at Attachment "C".

CONSIDERATION OF THE ISSUES

13. The issues to be considered are:

- . Absence of knowledge of crocodile biology and husbandry;
- . Economic viability of farming;
- . Protection policy implications if farming is undertaken;

- . Future harvesting from the wild when protection stabilizes the natural population; and
- . The need for consultative machinery to co-ordinate control in co-operation with Queensland and Western Australia.

14. There are wide gaps in our knowledge of the breeding, morbidity, mortality, distribution and behavioural patterns of both *porosus* and *johnstoni* not only in the Northern Territory but also throughout the rest of the extensive Australian habitat. There is a need for full time research not only to evaluate the N.T. resource but also to monitor research and experimental work throughout the rest of Australia and the world. A recent attempt by a private operator to establish a farm-like rearing station failed when all captured hatchlings were lost to predators (eagles). It is noteworthy that the operator has been established on a rural property in the top-end since 1963. Operators with overseas farming experience would be faced with the need to modify their knowledge to suit N.T. animals and conditions. A demonstration farm employing methods developed on commercial breeding farms in other parts of the world and adapting them to local conditions and stock could provide insurance against early, possibly disastrous, establishment losses by private entrepreneurs.

15. Economic farming appears to be feasible only on the basis that an entrepreneur will have the financial stamina to operate for four years before receipts substantially exceed expenditure. The prospects for eventual profitable operation once the initial adaptation of overseas

techniques to N.T. conditions is completed appear to be good; provided managerial skills and technical expertise of the standard so obviously necessary are acquired. The hunt and slaughter methods previously used demanded no such skills.

16. The protection policy implications of renewed production flow from the national commitment to the International Convention referred to in paragraph 3. The Northern Territory Government may deal with its crocodile resource within its borders in any way it sees fit. *Porosus* is listed in Appendix 1 of the Convention. This means that products can not be exported. Change in this ranking permitting export will be possible only if hide production is from farm raised stock subject to proper supervision and management and provided nothing is done to further endanger wild populations.

17. The restrictions concerning *johnstoni* are not as rigorous. Very briefly, products may be sold on the world market provided it can be shown that production is under scientific management and is not endangering wild populations.

18. Harvesting from the wild, except for breeding, could not be contemplated until the population reaches stability again in consequence of the current protection policy, and both species emerge from endangered status. Adoption then of the pre-protection uncontrolled slaughter method of exploitation would see a speedy return to endangered

status. Adoption of the practices used in New Guinea at present would have a similar result. There are fears that the New Guinea operation will prove to be a conservation disaster.

19. Methods which have been developed in Florida for exploitation of the Mississippi alligator demonstrate that a strictly enforced protection policy can eventually be metamorphosed into a carefully supervised system of harvest from the wild. Recovery will not be achieved in the Northern Territory for several years yet and the question whether or not direct production from the wild should recommence must remain in abeyance until then. In the meanwhile, planning for regulated harvesting can proceed.

20. Co-operation with other authorities is addressed in a draft report by Graham J.W. Webb dated June 1978, on "The Status, Conservation and Management of World Crocodilians, and an Assessment of the Potential for Commercial Exploitation of Crocodiles in Australia". Webb suggests that a central consultative and liaison group should be established with representation from the wildlife authorities in Queensland, Northern Territory and Western Australia. This is supported as the first essential step leading to discharge of the obligation implicit in the Convention referred to above.

OPTIONS

21. Based on the information extracted from the consultancy report, the subsequent detailed economic evaluations, the national and international ramifications of the endangered status of Australian crocodiles, the growing public

awareness of the gradual recovery of the species and the need to fill the gaps in our knowledge of biology and husbandry, it is suggested that the Northern Territory Government has the following options available to it:

- . Farming by private enterprise;
- . Farming by private enterprise with Government financial and managerial involvement;
- . Farming by Government for development and sale as a commercial enterprise;
- . Farming by Government for development and sale as a commercial enterprise with a research and experimental annexe wholly Government run;
- . Continuous protection without exploitation until population stability is re-established.

22. The range of farming options available does not offer early returns on outlay without the addition of tourist facilities. These must, therefore, be included. None of the options, except the last, relieves the Federal Government of its obligation under the International Convention without further attention to the methods by which trade in crocodile products meets the Convention's terms. All of the farming options are envisaged as commercial breeding farms.

23. Under the whole of the circumstances, the best possible compromise for eventual commercial development of the resource whilst at the same time demonstrating that the Territory is undertaking a comprehensive research and management program, producing good scientific data on

the status of wild populations; and exhibiting very tight control of commercial production, is the option for the Government to establish a commercial breeding farm; with an experiment and research annexe wholly Government run. Profitability of the farm should be established at about the same time as stability of wild crocodile populations is achieved. The farm could then be offered for sale to private enterprise.

24. This combination of initial Government commercial production with an experiment and research annexe and ultimate sale of the commercial breeding farm becomes accordingly the favoured option.

PUBLIC IMPACT

25. Implementation of the favoured option would provide a public demonstration of Government interest in developing the Northern Territory crocodile resource without recreating the indiscriminate slaughter which preceded imposition of the current protection, whilst at the same time accepting our national and international responsibility for conservation of endangered species. By organising the farming operation to include provision for tourist participation, benefits will be created for those segments of the Territory economy which are involved with tourism.

26. Some adverse criticism may be directed at the research aspect of this proposal or the exclusion of private enterprise during the initial stages. Investigations just completed leave no doubt that the management and technical skills needed to run a successful commercial breeding farm do not exist in Australia and certainly were not needed in the earlier

exploitation of this resource by uncontrolled slaughter in the wild. Collection of information on farming methods from all authoritative sources throughout the world and practical application of those methods on a demonstration farm in the Northern Territory should disarm adverse criticism from thoughtful observers.

FINANCIAL CONSIDERATIONS

27. The Development Budget at Attachment "C" shows that the nett cash injection by the Government to establish the farm should be of the order of \$275 000 if all assumptions hold good.

28. Expenditure exceeds receipts in the first year by this amount. In years two and three the estimates show a very slight excess of receipts over expenditure with this relationship becoming more firmly established from then on.

29. By year ten nett profits should be running at \$100 000+ per annum.

30. Sites are available which meet the criteria specified by the farming consultant. What appears to be the best of these is a private lease at Humpty Doo, the acquisition of which has not been costed. Site cost is raised here as a possible commitment if a suitable area of Crown Land is not available. The proposed research staff will entail an annual salary and on-cost commitment of \$66 000.

EMPLOYMENT IMPLICATIONS

31. The proposed farm will provide employment for six

persons including the manager as contract labour when fully established. The cost of such employment has been included in the developmental budget of the farm. The research and experiment annexe is expected to require the services of one professional and one technical employee of the Northern Territory Public Service and a small percentage of support services including administrative and policy oversight from the Territory Parks and Wildlife Commission. A possible further commitment will be the capital cost of buildings and equipment for the research annexe if existing facilities are found to be inadequate. Adequate facilities exist conveniently close to the best site referred to in paragraph 30.

COMMONWEALTH RELATIONS

32. The favoured option raises implications for relations with the Federal Government in the context of the International Convention referred to already. Establishment of our research and monitoring programs will need concurrence of the Commonwealth Minister responsible for the environment. There is, in addition, the need to establish acceptance of our research, experimental and ultimate developmental program with other jurisdictions embracing the Australian crocodile habitat. The forum where relevant questions may be raised is the Council of Nature Conservation Ministers and its standing working groups. The Northern Territory Government is represented on this Council by the Chief Minister with support from officials of the Territory Parks and Wildlife Commission.

CO-ORDINATION

33. This Submission has been prepared in consultation by the Chief Minister's Department (Co-ordinator General), Territory Parks and Wildlife Commission, Department of Primary Production and Territory Development Corporation. The Submission in initial draft form was additionally circulated to the Public Service Commissioner, Treasury, Department of Law and Department of Lands and Housing for their views. With one exception, the conclusions and recommendations which appear herein reflect the views of those agencies. The exception is the question of direct involvement of private enterprise from the beginning. This is advocated by the Department of Lands and Housing and the Territory Development Corporation. It is the majority view of the Departments and Authorities consulted that the favoured option is best suited to reconciling the conflicting and complex influences which bear on this subject and should remain as the recommendation.

LEGISLATION

34. If the favoured option is adopted there will arise no immediate need for amendments to existing legislation. Subordinate legislation may need expansion in the long term.

PUBLICITY

35. There should be no general publicity given to action in pursuit of the favoured option until formal advice has been sent to the Federal Minister responsible for the environment and the Council of Nature Conservation Ministers. Subject to this constraint, a media release along the lines

CONFIDENTIAL

13.

of Attachment "A" is recommended.

TIMING

36. Whilst the question whether or not a commercial crocodile farm should be established is not urgent, the growing public awareness of the increase in the crocodile population and the concomitant pressure for renewal of production makes it necessary that action be set in train by the Government without unnecessary delay.

RECOMMENDATIONS

37. It is recommended that Cabinet approves:
1. Establishment of a Government run commercial crocodile breeding farm under the administrative superintendence of the Territory Parks and Wildlife Commission.
 2. Sale of the farm to private enterprise once commercially established.
 3. Establishment in principle of a Government run research and experimental annexe to the farm.
 4. Presentation of the proposal for establishment of the farm and annexe to the Council of Nature Conservation Ministers for endorsement.
 5. A formal approach to the Federal Minister responsible for the environment for endorsement of the farm and the research and experimental annexe.

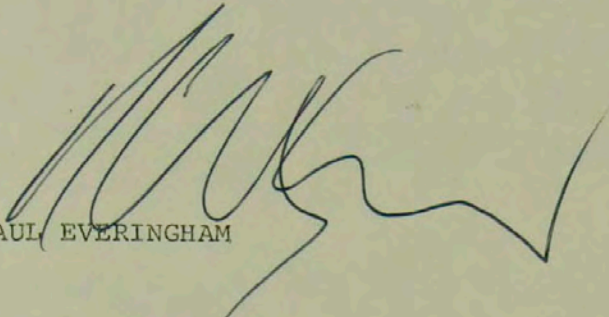
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14.

6. Approaches to the Governments of Queensland and Western Australia suggesting establishment of a consultative group of officials in relation to the crocodile resource of North Australia.



PAUL EVERINGHAM

MEDIA RELEASE

Commercial prospects for crocodile farming in the Top End of the Northern Territory are to be tested.

The Territory's Chief Minister, Mr. Paul Everingham, said evidence that crocodile populations were recovering from the near extinction of a few years ago, made it necessary to plan for ordered renewal of commercial operations.

"Research over recent years has increased understanding of the two species native to Australia," Mr. Everingham added. "But as both are still classified as in danger of extinction, hides can be exported only if they are taken from farm-bred animals."

Mr. Everingham said that in past years, there had been uncontrolled slaughter in the wild in the search for crocodile hides. This had brought the hunted animals to the brink of extinction.

"Investigations of commercial farming overseas have shown that special management and technical skills are essential for any 'farming' of crocodiles," Mr. Everingham said.

"As this expertise has not previously been developed in Australia, the Government intends to establish a farm to determine and demonstrate the techniques of farming crocodiles profitably so that interested people can learn the skills needed for success.

The farm will be open to the public, and I hope will become a tourist attraction.

Eventually, if it proves to be profitable, the farm will be sold as a going concern."

Mr. Everingham said that when establishing the farm, the Government would set up a research and experiment annexe which would monitor all research activity related to Australian crocodiles. As well, it would carry out investigations to fill gaps in the knowledge of such things as breeding, feeding, morbidity, mortality, and behavioural patterns.

Mr. Everingham pointed out that Australia's endorsement of the International Convention against trading in endangered species of fauna and flora prevented exploitation of crocodiles in the wild and the export of hides and products from them.

However, this did not apply to farm-bred crocodiles which could provide a valuable source of income.

"Apart from this, a policy of full protection will continue", Mr. Everingham emphasised.

"It will be a long time, if ever, before crocodiles will again be hunted in the wild for their hides."