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CABINET DECISION

No. 4414

Submission No.: 3774

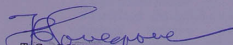
Title: PROPOSAL FOR PASTORAL INDUSTRY STUDY

Cabinet -

(a) approved -

- (i) the Terms of Reference for a major study of the pastoral industry as set out in Attachment A;
- (ii) the commissioning of a major study of the pastoral industry in accordance with the approved Terms of Reference;
- (iii) an expenditure of up to \$100,000 in relation to the study; and
- (iv) the establishment of a Steering Committee comprising representatives of NTDC, DPP, NTCA, BIC and the Head Consultant to direct and monitor the Study, and to report regularly to the Minister for Industry and Small Business and Tourism, and the Minister for Primary Production; and

(b) directed that the proposal and Terms of Reference for the consultancy relating to this study be referred to Cabinet for final approval.


T.C. DOVEGROVE
A/ Secretary to Cabinet.

17 December 1985

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PASTORAL INDUSTRY STUDY - DRAFT TERMS OF REFERENCE

Believing that the pastoral industry* should be seen as a major long-term contributor to the NT economy, and that the industry could benefit from co-operative and practical planning for its future development, the government has constituted a study (inquiry) with the following terms of reference:-

1. To provide a draft industry plan for raising the level of pastoral productivity covering initiatives which the industry and government might take within a 10 year period, after proper consultation and agreement. Estimates of cost and sources of finance should be included where appropriate. (This plan would be refined as results of more specialised and detailed investigation come to hand in later stages).
2. To formulate the draft industry plan the study will undertake a broad economic analysis of the NT pastoral industry which will -
 - (a) Collate and summarise reference material from earlier enquiries and investigations into the pastoral industry and, in providing a comprehensive bibliography, to suggest ways to facilitate abstraction of material in the future.
 - (b) Examine the structure of and changes in the livestock population identifying causes of the change in population and in the size and form of management units, decade by decade since 1945.
 - (c) Examine the major cost components, returns and profitability for a range of properties within the different pastoral regions of the Territory at the present time
 - (d) Examine current and potential markets and marketing methods for livestock (cattle, buffalo and other species) and livestock products and to report on means of developing market outlets and increasing marketing efficiency.
 - (e) To identify limiting factors and problems within the industry. In ranking them according to the significance of their impacts, and the prospect of finding practical solutions, to also point out those areas where there appears to be scope for developments which will improve the value of the industry within the Territory economy through
 - . Increasing the size of the herd
 - . Increasing the level of turnoff
 - . Increasing the quality of turnoff
 - . Reducing the cost of production
 - . Other concerns as identified by Conservation Commission, Lands and DPP
 - . Changes in management techniques
 - . Improving livestock marketing.

- (f) Indicate the part which micro electronic technology might play in terms of data storage and retrieval in relation to individual properties and the industry as a whole, with a view to:-
- . Aiding management and increasing profitability
 - . Providing better access to markets and market intelligence.
 - . Examining some economic models which can predict what will happen in NT pastoral systems when certain inputs change and report on their influence as decision making aids.
- (g) Review other activities related to or bearing on the pastoral industry in order to update information on trends towards diversification of land use within traditional pastoral areas. To make a preliminary evaluation of the extent to which such activities may affect the viability and structure of the pastoral industry.
- (h) Examine the NT abattoir/meat processing section of the industry - its scope, quality, markets, special needs and problems in order to assess what improvements might be effected by changes.
- (i) Examine a range of by-product processing/secondary and support industries existing and potential, to identify special needs and problems with the object of assessing whether greater efforts should be directed towards achieving a more fully integrated approach to pastoral production and related manufacturing within the Territory.

The Government sees this study principally as a process of data gathering through research, interviews and inspections. It will provide material for a report which will give interested parties a base line for future developments, guidance on objectives to pursue, and areas recommended for further specialised study.

It is expected that the report will be furnished within 9 months of commissioning the study.

* "Pastoral Industry" includes Buffalo Industry and feral animals on pastoral leases.

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FOR CABINET

SUBMISSION No:

Title:	Proposal for Pastoral Industry Study
Minister:	Industry and Small Business
Purpose:	To gain Cabinet approval to commission a major and comprehensive base-line study of the pastoral industry in the Northern Territory
Relation to existing policy:	Consistent with role of NTDC in providing services directed towards fostering industrial development.
Timing/ legislative priority:	Action to commission the study will be taken by NTDC immediately following approval to proceed.
Announcement of decision, tabling, etc:	Draft Press Release is attached (Attachment B)
Action required before announcement:	Nil
Staffing implications, numbers and costs, etc:	Nil
Total cost:	Up to \$100,000 to be provided from resources within NTDC's Services to Industry allocations.

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Department/Authority AGRICULTURAL DEVELOPMENT & MARKETING AUTHORITY

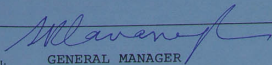
COMMENT ON CABINET SUBMISSION No.

TITLE: PASTORAL INDUSTRY STUDY

COMMENTS:

The Authority supports this submission.

SIGNED:



DESIGNATION:

GENERAL MANAGER

DATE:

26 November 1985 **CONFIDENTIAL**

CONSERVATION COMMISSION OF THE NORTHERN TERRITORY



HEAD OFFICE: GAP ROAD, ALICE SPRINGS,
P.O. BOX 1046, ALICE SPRINGS,
N.T. 5750 AUSTRALIA
TELEPHONE: (089) 50 8211;
TELEX: PARKS A481191; VOCADEX: (089) 52 5390

OUR REF: A/85/205

YOUR REF: GC:PS:141

26 November 1985

The Chairman,
Northern Territory Development Corporation,
G.P.O. Box 2245,
DARWIN N.T. 5794

Dear Mr Chard,

CABINET SUBMISSION - PASTORAL INDUSTRY STUDY

Thank you for the opportunity to comment on this Submission.

While the study is supported in principle, the Terms of Reference have omitted any direct reference to the rangeland resource, concentrating attention only on such resources as the cattle herd, and to a lesser extent management.

The proposed study is restricted to preparing a plan based on broad economic analysis. For an industry based on range, it is perhaps surprising that the Terms of Reference do not include an assessment of rangeland policies and practices.

The assessment of range is more than simply identifying one of the potentially limiting factors to pastoral production. While there is provision in the proposed Terms of Reference for a review of other activities related to or bearing on the pastoral industry, this section appears to be limited to updating information on trends towards diversification of land use within traditional pastoral areas.

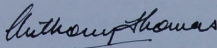
The range is a renewable resource, and it is therefore essential that it be effectively managed. The proposed study should include an assessment of:

- the present situation in respect of rangeland policies and practices,

- . the impact of grazing/erosion on habitat,
- . rangeland management research, extension and advisory services,
- . fire management, and
- . the operation of relevant provisions of the various Northern Territory Acts applicable to rangeland management.

It could be appropriate for the consultant to seek submissions from the pastoral industry, research institutions, and the public relating to rangeland management policies and practices.

Yours sincerely,



W. A. Thomas
DIRECTOR

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Department/Authority...Department of Primary Production.....

COMMENT ON CABINET SUBMISSION No.

TITLE: Proposal for Pastoral Industry Study

COMMENTS:

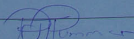
The Department supports the proposed comprehensive study of the pastoral industry in the Northern Territory

It was this Department's understanding that what was proposed was indeed a major pastoral industry sector review which would address, in addition to those specified, such areas as:

- . manpower structure
- . sociological factors
- . industry training
- . technical support services
- . environmental concerns.

Every effort should be made to ensure these aspects are adequately covered. The cost of the study at \$100,000 is optimistic if high calibre consultants are to be engaged for a comprehensive study.

SIGNED:


Acting Secretary

DESIGNATION:

DATE:

27. 11. 85

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DEPARTMENT OF LANDS

Telephone : 896047

Quote in Reply: 85/448

G.P.O. BOX 1680
DARWIN, N.T. 5794
Telex: AA85453

27 NOV 1985

The Chairman,
N.T. Development Corporation,
Development House,
76 the Esplanade,
DARWIN. N.T. 5790

Attention: Richard Nelson

DRAFT CABINET SUBMISSION : PASTORAL INDUSTRY STUDY

In your letter of 22 November 1985 you requested comments on the abovementioned draft Cabinet submission.

The Department of Lands supports the intent of the submission, to further develop the pastoral and associated industries in the Northern Territory. With regard to the submission itself, the following comments are offered.

Editorial

Paragraph 2 - Reference to the "7-Fletcher" Report (1937) should be to the "Payne-Fletcher" Report, resulting from an investigation of N.T. Land Administration by Messrs. Payne and Fletcher.

Paragraph 2 (Draft Press release) - Reference to the Rose report in "1984" should read in 1948 (see para 2 of submission).

Previous Relevant Studies

Two other fairly recent studies which should be listed at paragraph 2 of the submission are:

- | | |
|--|--------------------------------------|
| "Pastoral Land Tenure in the Northern Territory" | - Martin Committee of Inquiry (1980) |
| "Feral Animals in the Northern Territory" | - Letts Board of Inquiry (1979) |

Steering Committee

The Steering Committee to direct and monitor the Study, should include a representative from the Department of Lands, which has sole responsibility for administration of pastoral lands (if adopted, an appropriate amendment to the draft Press release would be needed).



Terms of Reference

The following changes are suggested, to make the terms of reference more concise and effective -

- 2(b) Should require the examination to be on a decade by decade basis, at least for the period since World War II.
- 2(c) Should specify that this refers to the present time.
- 2(e) Should include -
- Changing management techniques - e.g. trapping, early turnoff, etc.
- 2(h) and (i) - Should include cost/benefit analyses.

There is no provision for consideration of the effects of industrial awards.

General

Reference is made in paragraph 14 of the submission to recent similar studies in Queensland and Western Australia. There is no indication of the outcome of these studies, particularly whether they may have produced positive results.

There is no indication how consultants are to be selected. Care will be needed to ensure impartiality on the part of the consultant, as some of the most qualified persons may have strong connections with a particular interest group or "Pastoral House". Indeed, while an "outside" consultant may be desirable, from the point of view of having fewer "fixed ideas", consideration might also be given to appointing a group drawn from, e.g. Government, including CSIRO, and Industry.

It should be noted that, at the request of our Minister, a Working Party has been convened to study various aspects of rural and pastoral land management in the Northern Territory. The Working Party includes representatives from the Departments of Lands and Primary Production, the Conservation Commission, ADMA and Water Resources Division, Department of Mines and Energy. For your information I attach a copy of the Working Party's draft terms of reference, which have still to be finally ratified by our Minister.

A study of the viability of Gulf cattle properties is currently being conducted by a consultant for the Department of Lands. Field work has been completed and we are awaiting the Consultant's report.



R.L. BROCKMAN
Head of Secretariat

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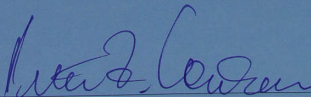
Department/Authority LAW

COMMENT ON CABINET SUBMISSION No.

TITLE: PROPOSAL FOR PASTORAL INDUSTRY STUDY

COMMENTS:

There appear to be no constitutional or legal barriers to the proposal.



SIGNED: P.F. Conran
DESIGNATION: Director, Executive & Policy Unit
DATE: 25 November 1985

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Department/Authority..... NORTHERN TERRITORY TREASURY

COMMENT ON CABINET SUBMISSION No.

TITLE: PASTORAL INDUSTRY STUDY

COMMENTS:

Treasury supports the submission.


SIGNED: R C MADDEN
DESIGNATION: UNDER TREASURER
DATE: 27.11.85

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THE ISSUES

- 1 To gain Cabinet approval to commission a major and comprehensive study of the pastoral industry in the Northern Territory.

BACKGROUND

- 2 There has not been a comprehensive study of the Territory's pastoral industry since the Payne-Fletcher Report (1937) and the Rose Report (1948). There are more recent studies of specific activities related to the pastoral industry - e.g.
 - . Pastoral land tenure in the Northern Territory
 - . Martin Committee of Enquiry (1980)
 - . Feral Animals in the Northern Territory - Letts Board of Inquiry (1979)
 - . IAC Inquiry into Abattoir and Meat Processing Industry (1982/3)
 - . Study for the Establishment of a Wet Blue Processing Plant on the NT - AACM/Meateng 1984.
 - . Use of Relocatable Abattoir and Associated Rendering Facility - Meateng 1982.
 - . Pak Poy Cannery Study - May 1984

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but no attempt yet has been made to survey the contemporary industry as a whole, nor to project a detailed plan for its development.

CONSIDERATION OF THE ISSUES

3 The term "pastoral industry" is meant to include the cattle and buffalo industries, and feral animals on pastoral properties.

OBJECTIVE

4 The objective of the proposed study is the provision to Government of advice on the formulation of a strategy for developing the pastoral industry of the Territory; to increase productivity for its own sake, and to raise the economic potential of a range of associated secondary and processing industries.

5 A number of specific studies undertaken in the past have indicated that it is not viable economically at this time to establish canneries, wet blue hide processing plants, or rendering and tallow plants. From a developmental point of view, there is little value in commissioning reports which merely advise that it is not viable to establish a secondary or processing industry. What is required is the identification and broad economic analysis of what must be done to make its establishment viable.

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6 The draft Terms of Reference (Attachment A) for the proposed study have been prepared with this principle in mind.

7 The study is intended to provide a base-line, a draft plan along with recommendations for any further specialised study.

OPTIONS

8 Cabinet might approve the commissioning of an appropriate firm of consultants to

(a) undertake a study as per the draft Terms of Reference. The preferred option.

(b) undertake a study according to Terms of Reference directed or modified by Cabinet. The draft Terms of Reference have been prepared in a lengthy process involving full consultation with interested parties.

9 Cabinet might reject the proposal.

PUBLIC IMPACT OF THE RECOMMENDATIONS

10 The proposal to commission a comprehensive study of the pastoral industry can be expected to be widely acclaimed within the industry.

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FINANCIAL CONSIDERATIONS

- 11 The cost of the proposed study is estimated to be of the order of \$100,000; but the actual cost may not be known until negotiations are entered into with firm of consultants.
- 12 Should the quotations exceed this figure specific Cabinet approval will be sought before commissioning the study.
- 13 The cost of the study will be met by funds within the NTDC's Services to Industry allocation.

EMPLOYMENT AND STAFF CONSIDERATIONS

- 14 Nil

COMMONWEALTH, STATE AND LOCAL GOVERNMENT RELATIONS

- 15 The consultants will be expected to communicate with Queensland, Western Australia, South Australia and the Commonwealth in relation to similar studies and interests. Similar studies to the proposed have been undertaken recently in Queensland and Western Australia.

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CO-OPERATION AND CONSULTATION

- 16 The draft Terms of Reference have been prepared after wide-ranging discussions, including spokesmen for the Buffalo Industry Council, the NT Cattlemen's Association, Northern Land Council, and officers of ADMA, CCNT, CSIRO, Lands and DPP. The Terms of Reference were finalised in direct consultation with the Buffalo Industry Council, the Cattlemen's Association and DPP.
- 17 This submission has been circulated to ADMA, CCNT, DPP, Lands, Law and the Treasury.

LEGISLATION

- 18 Nil

PUBLICITY

- 19 Draft Press Release prepared (Attachment B)

TIMING

- 20 NTDC will invite expressions of interest from appropriate consulting firms immediately following Cabinet approval of the proposal.

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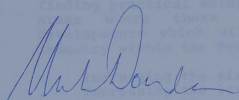
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RECOMMENDATIONS

21 That Cabinet approve:

- (a) The Terms of Reference for a major study of the pastoral industry as drafted (Attachment A).
- (b) The commissioning of a major study of the pastoral industry in accordance with the approved Terms of Reference
- (c) An expenditure of up to \$100,000 in relation to the study.
- (d) The establishment of a Steering Committee comprising representatives of NTDC, DPP, NTCA, BIC and the Head Consultant to direct and monitor the Study, and to report regularly to the Minister for Industry and Small Business and Tourism, and the Minister for Primary Production.



12.12.85

NICK DONDAS

DATE

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PASTORAL INDUSTRY STUDY - DRAFT TERMS OF REFERENCE

Believing that the pastoral industry* should be seen as a major long-term contributor to the NT economy, and that the industry could benefit from co-operative and practical planning for its future development, the government has constituted a study (inquiry) with the following terms of reference:-

1. To provide a draft industry plan for raising the level of pastoral productivity covering initiatives which the industry and government might take within a 10 year period, after proper consultation and agreement. Estimates of cost and sources of finance should be included where appropriate. (This plan would be refined as results of more specialised and detailed investigation come to hand in later stages).
2. To formulate the draft industry plan the study will undertake a broad economic analysis of the NT pastoral industry which will -
 - (a) Collate and summarise reference material from earlier enquiries and investigations into the pastoral industry and, in providing a comprehensive bibliography, to suggest ways to facilitate abstraction of material in the future.
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 - . Increasing the size of the herd
 - . Increasing the level of turnover
 - . Increasing the quality of turnover
 - . Reducing the cost of production
 - . Other concerns as identified by Conservation Commission, Lands and DPP
 - . Changes in management techniques
 - . Improving livestock marketing.

PASTORAL INDUSTRY STUDY

Plans for a major Pastoral Industry Study, to develop an industry plan for raising the level of pastoral productivity, were announced today by Minister for Industry and Small Business, Nick Dondas.

Mr Dondas in announcing the proposed study, said, "There has not been a comprehensive study of the Territory's pastoral industry since the Rose Report in 1948, and there's a great need to provide a strategy to develop the industry, increase productivity and raise the economic potential of associated secondary and processing industries."

"The pastoral industry is a major long-term contributor to the Northern Territory economy and could benefit greatly from co-operative and practical planning for its future development."

The proposed study will examine the structure and changes in livestock population, current and potential markets and marketing methods for livestock and livestock products, and identify limiting factors and problems within the industry.

Abattoir/meat processing, by-product processing and support industries and other related activities relevant to land usage will also be examined.

The study was welcomed by members of the Buffalo Industry Council and the Northern Territory Cattlemen's Association who recognise the need to formulate a blueprint for future developments of the pastoral industry.

The Northern Territory Development Corporation will commission the study, consistent with its role in fostering development. The Corporation will be supported by the Department of Primary Production.

Expressions of interest from appropriate consulting firms are currently being sought by the NTDC.

- (f) Indicate the part which micro electronic technology might pay in terms of data storage and retrieval in relation to individual properties and the industry as a whole, with a view to:-
- . Aiding management and increasing profitability
 - . Providing better access to markets and market intelligence.
 - . Examining some economic models which can predict what will happen in NT pastoral systems when certain inputs change and report on their influence as decision making aids.
- (g) Review other activities related to or bearing on the pastoral industry in order to update information on trends towards diversification of land use within traditional pastoral areas. To make a preliminary evaluation of the extent to which such activities may affect the viability and structure of the pastoral industry.
- (h) Examine the NT abattoir/meat processing section of the industry - its scope, quality, markets, special needs and problems in order to assess what improvements might be effected by changes.
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The Government sees this study principally as a process of data gathering through research, interviews and inspections. It will provide material for a report which will give interested parties a base line for future developments, guidance on objectives to pursue, and areas recommended for further specialised study.

It is expected that the report will be furnished within 9 months of commissioning the study.

* "Pastoral Industry" includes Buffalo Industry and feral animals on pastoral leases.