



Monthly NEWS

To: The Australian Honey Industry

From: Stephen Ware – Executive Director

MAY 2012

AHBIC acknowledges the **beekeeper suppliers** who contribute via their packer/queen bee supplier to AHBIC. We urge beekeepers to support those Packers/Queen bee breeders who contribute to AHBIC.

**DOES YOUR HONEY BUYER(S) OR QUEENBEE SUPPLIER'S NAME APPEAR ON THIS LIST?
IF NOT, THEN ASK 'WHY NOT?' AHBIC WORKS FOR YOU!**

AB's Honey	Cugley, Kirsten	Land, K R	Ruiter, J H
Argus, Andrew	Damokas, B	Langan, Margaret	Saxonbee Enterprises
Australian Queen Bee Exporters	Daybreak Apiary	L'Estrange, Tony	Slattery, Anna
Australian Queen Bee Breeders	Davey, Helen	Lever, Robert	Smith, C & B
Australian Honey Products	Davis, Ernest	Locker, Judy	Spring Gully Foods P/L
Barnes Apiaries P/L	Deane, A J & C M	MacFarlane, R H	Squire, Gary
Bates, Tiffane	Den Hollander, Jeroen	Marchant, R & S	Stanley, J & L
Beacham, V G	Dewar Corporation	Marti, Rod T/A	Stephens, R
Bee My Honey Apiaries	Dunlop, P G & R D	- Gagarra Honey	Stevens, Graeme
Beechworth Honey P/L	Ewington, P & M	McGurk, M L &	Stevens, Howard
Bees Neez Apiaries	Faithfull, Mark	Lockley, B A	Stirling, Graeme
Bell, Graham	Federal Council of Australian Apiarists	McLaren, Jane	Stokes, Peter
Billington, Steven	Fruet, F P	McInerney, Neville	Strout, Graham
Black, R G & M J	Gell's Honey	Meimetis, Steve	Tasmanian Beekeepers - NW Branch
Bowman Family	Georgiou, Athena	Milne, Howard	Tasmanian Crop
Bredenkamp, Don	Giles, G R & P M	Morgan, Trevor	Pollination Association
Bresland, Ian	Glenister, Susan	Mullen, Peter & Sylvia	Tasmanian Honey Company
Brock, Margaret	Goode, T W & M A	Myers, Terry	Thompson, N
Brooks, Graham	Griffiths, Milton	Naisbitt, A L	True Blue Honey
Bucktin, Brian	Griffin, Brian	Nevin, Denis	Upton, Ralph
Bush Honey - Rosalie Waters	Hadfield, Simon	Nitschke, C J	Valkenburg, Simeon
Buzz Honey	Honey Packers & Marketers Association	Norcic, John	Van Dongen, A J
Capilano Honey Ltd	Hooper, B A	Papworth, F & E	Vermeer, Peter
Ciphery, C & R	Hooper, R F & A J	Park, William F	Wallace, P
Clifford, D A & J J	Hooten, Keith	Paull, D M & G A	Warral Apiaries P/L
Codde, T J	Hoskinson, H L & H M	Phillips, Rupert	Watson, James
Cole, O F	Howard, O D	Pluschke, D & MS	Weatherhead, T & M
Coleman, R J	Howell, T & S	Pobke, Barry	Weerona Apiaries
Cotton, A J &	Howie, G D	Pollard, Nigel	Wescobee Limited
McDonald, M A	Hughston & Sons P/L	Pollination Assoc of WA	Wilson, Col
Craig, Athol	Ipswich/West Moreton Beekeepers Association	Rasmussen, Ivan	Wishart, Ron
Crop Pollination Association	Jones, C H	Ravi, David	Zadow Apiaries
	Jones, Daniel	Roberts, I J & J H	Zadow, Paul
	Kap J & E A	Roberts, Glenn	
		Robinson, Barry	
		Roden, Helen	

Thank you to all our beekeeper contributors some of whom have asked to remain anonymous.
AHBIC appreciates your ongoing support.

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The following provides an update of recent activities of AHBIC naturally if you should seek any further clarification please do not hesitate to contact the AHBIC office.

2011-2012 AHBIC ANNUAL REPORT

On behalf of the Australian Honey Bee Industry Council it gives me great pleasure to present the 2011/2012 Annual Report.

I would also put on record my thanks to my fellow AHBIC Board Members. I acknowledge the presence of: Ed Planken, Ian Zadow, Trevor Morgan, Rod Pavy and Ken Gell.

I would like to particularly thank those beekeepers who contributed to the Industry by either:

- Providing a voluntary contribution to AHBIC
- Contributed their time to member bodies of AHBIC
- Assisted with the *Apis cerana* incursion in Queensland.

APIS CERANA TRANSITION TO MANAGEMENT

- Funding of the Transition to Management has been agreed on the basis of A\$2 million from the Federal Government, \$600,000 from the Queensland Government and \$400,000 from Industry.
- The project is being managed by a Transition to Management group comprising the Federal and Queensland Governments and Industry and the Secretariat is provided by Plant Health Australia.
- Additionally, there is a scientific advisory group to provide input into the programme which again includes Industry, Government officers and individuals with specific expertise.

I am aware that Industry was fully supportive of eradication however, in simple terms, we were out-voted by various States and the Transition to Management outcome was the best position that could be achieved.

KEY ELEMENTS OF TRANSITION TO MANAGEMENT PLAN

- Development of methods to suppress Asian Honey Bee (AHB).
- Early detection of new incursions of AHB.
- The development of public awareness and the adoption of tools and strategies to control AHB.

Although agreement was reached not to eradicate the Asian Honey Bee, we are using the monies made available to invest in projects which we believe will ensure that we have systems in place to control Asian honey bees where they affect commercial honey bee industry.

We are also trialling remote poisoning and the use of Fiprinol to control Asian bees.

We are optimistic that some of the research work we are doing and projects being run, may in the longer term, allow us to revisit the possibility of eradication.

BIOSECURITY FUNDING ARRANGEMENTS

- Industry's funding for disease and pest responses is paid by beekeepers through a compulsory levy of 0.07c/kg to Animal Health Australia (AHA).
- We have now sought permission from Government to impose an additional \$50.00 compulsory registration fee on all apiarists both commercial and non-commercial.
- This additional charge would raise approx. \$500,000 per annum to add to Industry's ability to respond to incursions - the next obvious incursion being Varroa.

- We have also reopened negotiations of appropriate cost-sharing arrangements with the pollination industries through Plant Health Australia.

BIOSECURITY FUNDING ARRANGEMENTS

- What is of concern to industry is the sheer size of cost of incursions. Early figures from the Queensland Government indicated that the total cost of eradication if the Asian Honey Bee had proceeded, would have been A\$25 million with Industry share being A\$5 million.

EASTERN CREEK QUARANTINE STATION

- A Risk Assessment Analysis has now been completed and it will again be available for imported bees.
- In 2015, this facility will close and the Federal Government has allocated A\$380million over seven years for the construction of the new facility in Victoria.

Industry has expressed concern at the location of the facility in Victoria but we have been informed by the Federal Government although they will support alternate quarantine facilities for the import of bees, they will not provide any other funding other than through the Victorian facility.

It is AHBIC's policy:

'That AHBIC support the continuation of a quarantine facility for the import of bees into Australia and seeks to avoid the potential loss of a quarantine facility by supporting a fully funded government quarantine facility.'

BEE SURVEILLANCE PROGRAMME

- Currently being managed by Plant Health Australia and funded by the residual A\$150,000 provided to Animal Health.
- Basically the money will run out in 2013 and an alternative funding and implementation strategy will need to be found.
- Alternatives include a new programme based on 'Bee Alert' and additional funding coming from the pollination industries.
- On the 3rd and 4th July, Plant Health, RIRDC, industry and Horticulture Australia Ltd (HAL) will workshop these issues.

It is important that Industry have an effective surveillance system in place to give us warning of any new incursion if we are to have any chance of eradication.

RESIDUE CONTAMINATION

- Para dichlorobenzene (PDB's)
Industry established an Extraneous Residue Limit (ERL) for PDB's which will conclude in 2012. Unfortunately in the last NRS Survey, small detections were recorded. Beekeepers are reminded PDB's are illegal in food products.
- Pyrolizidine Alkaloids (PA's)
This issue continues to be monitored by the Food Safety Residue Committee of AHBIC and a number of experiments are currently being undertaken on the effects of PA's and the means by which they can be extracted from honey. This is an important issue which industry continues to discuss with Food Standards Australia New Zealand (FSANZ).

Residue contamination will continue to be an on-going issue to Industry. It is a Trade issue and it undermines consumer confidence in our product and the issue of PA's in food is one of increasing international concern.

TRADE ISSUES

- US beekeepers are using bee viruses to halt the live bee trade with Australia and the *Apis cerana* incursion is adding to this.
- New Zealand beekeepers took out a high court injunction against the import of Australian honey.
- The Australian Government is currently negotiating a free trade agreement with Korea which will have the potential for Australian honey to be imported into South Korea without an import quota.

These trade issues continue to be on the table and we have had a number of discussions now with the Federal Government to encourage their resolution. The results are slow but we are encouraged that some progress is being made.

SUMMARY

- The AHBIC General Meeting is to be held on 5th and 6th July in Launceston. Items for discussion include AHBIC's 2012-2017 Business Plan. Included in the Plan is the possible introduction of a Honey Week to promote our products.
- Additionally we have listed on the Agenda, discussion of a national AFB programme.
- Finally, I would like to thank you – the industry – for your support in what are definitely difficult times.

As a small industry we again have many issues to confront in the next 12 months. I would like to thank you for your support to date and ask again for your assistance in the coming year.

Lindsay Bourke
Chairman

NATIONAL RESOURCE REPORT

Victoria

Since the change in government in Victoria the industry has had mixed messages: First the government needs to be commended for returning 92 bee sites back to industry and are at this moment reviewing a lot of red tape and policy guidelines that is holding back the return of many more sites probably 100 plus, with the plan of putting the buzz back into agriculture program.

Many sites that have not been returned are overgrown and clearing seems to be an issue, buffer zones around reference areas are being questioned, tracks that have been closed are highlighted and National parks attitude towards beekeeping in general is under the microscope, also logging on sites is in question, in general this part of helpfulness from the new government has been good.

However there always is a however.

Promises made at election time about the burning issues has made beekeepers very sceptical of how much ground we really gained, approximately 300,000 ht, double of previous are to be burnt each year with asset protection burning rotating every 5yrs this is around town boundaries. This is where a lot of sites are held so impacts on the industry is likely, this year alone burning was done while grey box was in flower and yielding, burning will be done the same time as our flowering patterns are on. Burning was supposed to protect communities however most of the burning is done in areas of low populated areas to nil populated areas.

Much of our bush land does not need fires as it only creates fuel for the following year and if burnt to many times on a regular basis it will change the ecology of that ecosystem which is bad news for the beekeeping industry as the flora will change.

Increase in logging is also having an effect on industry and we are in discussion with forest people managers, government and policy makers. Industry is not against logging however we are against clear felling and we are against clear felling on paid up bee sites. At this stage discussion seems to be in the too hard basket as the powerful logging group does not want to give up any of its produce to the beekeeping sector that can harvest it produce in a sustainable way and leave the resource for future generations.

Industry has a good case to be heard and listen to and this government is at least attempting to listen to us.

South Australia

South Australia is very dry – the bush is doing it tough in most areas.

Most of the government sites are in Ngarkat Conservation Park – Banksia desert country. About 40% of the Banksia sites look good with good *Styphelia* and *Thryptomene* in some places, which is good for the bees. While most sites are usable, there are approximately 30% which will not be suitable for the coming winter. At present the Parks and Wildlife department are quite reasonable to get along with. Within reason, the beekeepers have been able to relocate sites and rubble tracks. They are also looking to reform the beekeeper fire brigade which was disbanded 7 – 8 years ago.

In the Adelaide Hills and Fleurieu Peninsula the trees are very dry. Dieback in the Lofty ranges and lerps are hammering Red Gums in the Hills and lower South East.

Main concerns in South Australia at present are lerps on several species. Mundulla Yellows, Dieback and cattle are having major impacts on the native resources. Everywhere you go trees are sick or dead. Main prospects will be Stoney Mallee (*E. diversifolia*) and Giant Angular Mallee (*E. incrassata*).

The Murray–Mallee area looks reasonable; the water that flowed down the Murray filled many of the flood plains which has revived much of the vegetation. The Red Gums (*E. camaldulensis*) and River Box (*E. largiflorens*) have budded in most areas. The Mallee had good rain storms in most areas and the bush is looking healthy. There should be patches of White Mallee (*E. gracilis*) flowering during winter/spring.

Western Australia

WA has continued to have varied flowering as the whole season has done. Many beekeepers built bees during Redgum and produced some honey. In the South there are now good honey flows from the Karri in patches and the Yate in some areas. North of Perth the Banksias are producing and the York gum inland is doing well.

Honey production has been well below average for the season which is ending but the future seems good with the Jarrah budded very well in all areas and River gum also looking good for the spring.

We have had access problems on some of our station country where conservationists have taken over and trying to stop beekeeping activities. Hopefully we have negotiated a settlement which will see half the sites still able to be used.

Dept of Conservation has introduced clearing permits which seem to be devised specifically to make life difficult for the beekeepers especially when last minute decisions to use a particular area are made due to seasonal conditions.

Almond plantings are advancing and it will be interesting to see which beekeepers change the use of natural resources in spring to work Almonds. Many beekeepers may have to leave honey flows to go to Almonds.

New South Wales

Some of the main government related resource issues we are dealing with are:

1. LHPA's are currently undergoing another review; it seems as its only months after the last reforms. It appears the main driver being to mount a case to split/ sell off resources which would create a nightmare trying to hold sites for the industry as land is divided up to various entities.
2. Some state forest offices in the south of the state are attempting to charge a site transaction fee of up to \$350 per site to transfer from one beekeeper to another. NSWAA is wary that it may be the start of another attempt to start balloting sites which like the site transfer fee is completely untenable. It is also worth noting that NSW forestry is set to become a state owned corporation, is this one of the first steps to privatisation??????
3. National Parks are in some cases shifting bee sites from small access roads to shut access to these roads. The sites are being shifted to main roads where distance allows creating in some cases over population of areas.

The other big resource issue is the rapid and vast expansion of coal seam gas and coal mining. This issue to us is very much an unknown and is very hard to get a handle on the true effects to our industry.

Access to forestry sites is also becoming a big problem, with a broke state government and declining monies for road maintenance the road network is slowly getting worse and worse. Most beekeepers are only expecting an average year with a lot of the eucalypt resources flowering last year (whether they produced or not) they are not expected to back up again. Short term budders and ground flora will need to step up for the state to have even an average year.

Ken Gell

Resource Chairman

HONEY PACKERS & MARKETERS ASSOCIATION OF AUSTRALIA (HPMAA) REPORT – 2012

The Honey Packers and Marketers Association members serving the mainstream grocery industry have been under a lot of pressure this last 12 months. The two areas of impact have been prices and margins. The reluctance of the two major supermarkets to automatically increase retail prices when requested affects everyone. Naturally those increased values could flow back to beekeepers. The supermarkets deflation on retail prices (milk, bread, and other staple lines) by squeezing manufacturers and primary producers has been well reported in the media. While everyone loves a bargain, nobody loves it when it is their hip pocket being affected. Industry sources from wider food suppliers to supermarkets, note that strong-arm tactics or implied strong arm tactics for more margins and promotional discounts went unabated throughout the year. That means lower margins for packers as costs for all inputs have risen the same as it has for beekeepers.

Overall the association continued to support the best interests of the Australian apicultural industry and as President I was fortunate enough to be re-elected as Deputy Chair of AHBIC last year allowing direct contact other professional bodies and governments' thus serving industry and the honey packing community.

Overviewing the past year I can report that:

- The volume of honey sold via the three mainstream supermarkets of Coles, Woolworths and Metcash (IGA) increased 8.7% during 2011 (*Source: Retail World January 2012*) for a total of 10,184 tonnes. Aldi, Costco and others do not report into this system so volume variations with them are unknown.
- Of the honey sales, it shows by volume that 84.4% was for clear honey, 12.8% for varietals and 2.8% for creamed honey.
- House brands/private label accounted for 24.3% of the sales dropping from 28.8% last year. This is probably partly due to the effect of heavy promotions on branded product (like the major half price promotions undertaken by Capilano).
- The Coles and Woolworths price war had the others joining in to retain market share. The net result is more pressure on suppliers and lost overall margin per unit of sale. The pressure to have supermarket own brands move closer to 50% of the category sold continues as does the reduction of suppliers and products sold. Promoting brands therefore assists in keeping our brands before the public.
- Competition from Beekeeper sellers against main stream packers outside of the few major retailers continued during the year (often beekeepers undercutting each other in price to try to get the sale).
- In export markets trading has been tough due to the high Australian dollar. A high currency heavily impacts our sales ability and profit.
- There remains mixed situation of supply of honey on hand with packers. While adequate stock coverage exists in some states there is difficulty due to the weather outcomes in others.
- From a production perspective on crops looking forward it appears promising for the new spring season onwards. Maybe the long dry for WA comes to an end.
- From an import and export perspective the below table shows what occurred over the last year and the comparison to the previous one;

AUSTRALIAN IMPORTS AND EXPORTS ANALYSIS						
Period	Combined Imports Tonnes	Combined Exports Tonnes	Packed Exports Tonnes	Bulk Exports Tonnes	Packed Exports %	Bulk Exports %
Mar-12	975	-				
Dec-11	782	1,501	543	957		
Sep-11	831	961	422	539		
Jun-11	658	1,104	529	575		
Total	3,246	3,566			1,494	42%
					2,071	58%
Mar-11	797	1,174	495	679		
Dec-10	653	1,200	374	827		
Sep-10	997	1,270	407	862		
Jun-10	983	1,308	427	881		
Total	3,430	4,952			1,703	34%
					3,249	66%

The numbers above show imports reduced 5.4%. Export data was not available at the time of writing for the period ending March 12, but it suggests a lower volume would be the outcome (result of the higher currency).

World bulk honey export prices have held reasonably steady over the last year staying in a narrow price band. For Australian honey packers - we cannot be commercially competitive to move any reasonable volume due to currency at this time. Only minor specialty bulk product is being exported or it is due to long held contracts. Last year I reported that International packers needed cheap product as they in turn are being squeezed by their supermarket customers (like we are in Australia) and this remains the case.

On an AHBIC level over the last year we have contributed on industry's behalf in the following areas:

- AHBIC funding support;
- Quality and honey export issues;
- Residues;
- International trade access;
- GM in honey and the EU situation;
- And a range of other issues.

Our association remains strong and unified even though we compete in the market place as we face many similar problems and issues. Honey Packers members support having a peak industry body such as AHBIC that can interface with the government in a range of issues and areas that packers or individual beekeepers could not as they like to deal with peak representative bodies. It is pleasing to see in the AHBIC newsletter that more and more beekeepers and smaller packers are starting to financially support our peak body. Previously most funding came from just a few major packer members.

Eduard Planken OAM
President of the HPMAA

QUARANTINE AND DISEASES COMMITTEE REPORT

After the end of the last AHBIC AGM, I wrote to each State to ask for a person to be on the Quarantine and Disease Committee. They obliged and I started correspondence with them but, as usual, things got busy and the correspondence lapsed, my apologies to the members of the Committee. There have been several issues that have needed attention in the past year.

Asian bees

This has been ongoing. Currently we are in the Transition to Management Plan which is due to end on 30 June, 2013. Chances of getting back into an eradication program are diminishing but there are still a couple of bullets left to fire. The Commonwealth has put in \$2 million which is being administered by Plant Health Australia and industry is providing \$400,000 which is going towards research which is being administered by RIRDC.

There is an Asian Honey Bee Transition Management Group which is administering the program. AHBIC is represented by Lindsay Bourke, Stephen Ware and myself. I also sit on the Scientific Advisory Group. Details of these groups along with minutes and other communications can be found at <http://asianhoneybee.net.au/>

When I look back on what has happened since 2007 it makes me despair as to what will happen when Varroa gets here or we have another incursion. The slow response, the lack of scientific knowledge, the tit for tat attitude of some States and the lack of money do not auger well for the future. For me the most disappointing aspect has been when State Departments tell one story to some beekeepers then go on the telephone hook-ups and say something different. Seems they are trying to play people off against one another.

Post entry quarantine station

This has been a disappointing exercise. The Commonwealth put in place a review to which AHBIC contributed. AHBIC said that it favoured a facility at the Elizabeth MacArthur Agricultural Institute (EMAI) at Camden.

The review suddenly came out with the proposition that a new quarantine facility would be built in Victoria at an undisclosed location. This would be for most imports, not just queen bees. AHBIC indicated that this was not a suitable place but there was no consultation prior to the decision and it seems that the decision has already been made. There are many other industries that are not happy with this decision.

Apparently the EMAI proposition was not considered as New South Wales Department had said they were in favour but needed financial support. Apparently the Commonwealth would not agree to this.

From the start the Wheen Foundation had expressed an interest in putting an import facility on their land at Richmond. This is still an option but it is most probable that the Commonwealth would not contribute towards the construction and most definitely would not contribute towards the running of the facility.

Interceptions

There have been several interceptions in Australia since the last AGM. We can be thankful for this. Unfortunately the communication from the Commonwealth is not good. We are endeavouring to try to re-engage with the Department. There is nothing worse than finding out about an interception through the media. This is because most of the time the media gets it wrong and this leads to all sorts of stories floating round. It is best to have that direct communication from the Commonwealth and then industry send out an advice. This way, it lessens the chances of wild stories being spread around.

Live bee exports

There has been no success, to date, in reopening up the United States as an export market for live bees. Currently Canada is still accepting queen bees from eastern Australia plus queen bees and packages from Western Australia. However this could change with the advent of the Transition to Management Plan for Asian bees now being in place instead of an eradication plan. There are still other markets open and every effort is being made to keep these open.

Disease

There has not been much progress on the disease front in the past year. Small hive beetle (SHB) still continues to be a problem in some areas.

The New South Wales Department and the New South Wales Apiarists Association are working on an American foulbrood program which is being reported on at their upcoming conference. For years our industry has been trying to put some sort of national program in place. So far we have had had little success. It will be of interest to see what comes out of the NSW conference.

Last time I enquired, the application for shelf registration of three (3) chemicals for Varroa control are still sitting with the Australian Pesticides and Veterinary Medicines Authority (APVMA). This is an ongoing saga which will hopefully be resolved soon.

Quarantine

There have been several reports published in recent years regarding the possible pathways of pests into Australia. Some of these make interesting reading as it gives an academics perspective as compared to the practical thinking of beekeepers. I know that I have been contacted on many occasions by authors of these reports or asked to comment prior to publication. I know several other beekeepers or apiary officers have also been approached.

Whilst this information is of interest, it does not take the place of good quarantine. Unfortunately our industry has been the subject of three major quarantine breaches in less than twenty years. These are chalkbrood, small hive beetles and Asian bees. The problem is that once the quarantine barrier has been breached, it is left to the industry to cope with the problem. Governments basically walk away. Industry is left to fund research as to how to cope.

Trevor Weatherhead
Chairman

FOOD SAFETY & PREVENTION OF RESIDUE COMMITTEE

The Committee continues to work with FSANZ and AQIS to remain updated and to provide advice to government on the on-going research and discussion of the issue of PAs in foods. We provided a written response to FSANZ on the Discussion Paper produced by the Netherlands CODEX Committee with respect to best practice codes of conduct for reducing/eliminating PAs in food stuffs. It appears that best practice codes are likely to be developed only for weed management and not honey production, which we consider appropriate. There is presently a review beginning of the chemical toxicity of PAs that is being conducted by part of the World Health Organisation (JECFA) on request of CODEX. This review will deliver more robust scientific advice on tolerable daily intakes for PAs that will help us consider appropriate actions, if any, for industry to consider.

Recently we have conducted our own research into the filtration of honey to remove PAs, and have very encouraging preliminary results. Further work is being done in this area to replicate findings.

Some years ago the Committee approached FSANZ to upgrade the detail of our existing Australian Honey Standard to make it more comparable with further developed international standards; unfortunately we were not able to progress this very far. We have progressed with a pre-application meeting with FSANZ following a letter of request from AHBIC to again review the Standard. This meeting has gone well and we need to meet and agree on next steps, either a) we make a request to change the Standard to prevent misleading and deceptive conduct, or b) we review the implementation of a Code of Practice for Good Manufacturing Practice to be registered with Standards Australia for the production of honey in Australia. The primary aim of this work is to ensure imported and locally produced honey for sale meets an agreed quality specification.

The Committee continues to follow updates on the European Court action with respect to GMOs and will make further representation to DFAT and DAFF should world trade obligations be breached or significant changes to trading implications with the EU arise. DAFF has been contacted to follow up with Australian Consular Officers in Brussels as to the impact of any potential regulatory changes.

It was recognised by the Committee that there is at times a lack of understanding by consumers of the antibacterial activity of Manuka honeys, and it has been agreed to prepare a short informative report to better educate consumers and to establish best practice testing and certification expectations for packers. This is still being prepared.

There has been a range of on-going concerns and changes to the certification and endorsement of EX188B AQIS export certificates. Representation has been made to the Minister and Biosecurity Australia with regard to the significant changes in cost and audits. A meeting was also attended with the Minister's Office to further the cause and we will be following up with further information. We will continue to follow up the issue in an environment of considerable change in the Department.

There was representation made to the Committee that the MRL for oxytetracycline be re-assessed with consideration being made to reduce the level. At this stage, the recommendation from the Committee has been to continually review residue data with no change proposed to the existing MRL that is in-line with other international MRLs for oxytetracycline in honey.

The recent test results for honey by the National Residue Survey (AQIS) resulted in the again detection of paradichlorobenzene (PDB) residues, albeit it at very very low levels. The limit remains in place to protect such detections, however we do need to reinforce to beekeepers that PDB is no longer used and that combs from old treatments should be replaced.

Another meeting is being considered shortly for the Committee following meetings with respect to the Australian Honey Standard. I wish to thank the members of the Committee for their on-going support and work to support AHBIC's operations.

Ben McKee
Committee Chairman

B-QUAL REPORT

The Board of B-QUAL continues to work hard to ensure the industry-owned program remains the premium accreditation program of the Australian honey bee industry. It continues to be administered and supported by AUS-QUAL who works closely with the Board.

We currently have 131 producers/packers fully certified to the B-QUAL program which is a modest increase of 3% since the same time last year. B-QUAL currently has 340 non-accredited members.

At the AGM held 16th September 2011, Mr Barry Pobke, Mr Bill Winner and Mr Ken Gell were re-elected to the Board. Mr Barry Pobke was re-elected as Chairman.

Mr Ed Planken resigned from the B-QUAL Board. His input has been greatly appreciated and his presence will be missed.

The Board is facilitating the review and development of the draft Environmental Management Plan which is funded by the Queensland Government Department of Environmental & Resource Management (DERM). The final draft of the Code of Practice is nearing approval. Once approved, it will be implemented by 10 Queensland bee keepers who will then undergo an independent audit. Audit outcomes and feedback from the participating bee keepers will determine if a further review of the Code of Practice is required. The Board is aiming to complete the project by the end of 2013. The industry will then have available an Environmental Code of Practice which can be audited and certified.

It is important that B-QUAL remains current and relevant to today's environment. This has prompted the Board to instigate a review of the B-QUAL training program and course material. A technical review of the B-QUAL manual is also planned. This will include strengthening the disease surveillance requirements in light of proposed changes to the SA Livestock Act. The material has not undergone a thorough review since it was first developed in 2005. The Board has also recognised that the pathway to certification for a bee keeper should be as simple as possible. Currently the self-learning pack is available, but for those who prefer face-to-face training, a two-day course has been developed which will move bee keepers seamlessly to the certification audit. We hope to ratify these changes at the forthcoming Board meeting in May.

It was planned to have the B-QUAL auditors attend a focus group workshop in March 2012. The workshop has been delayed until the completion of the technical review of the manual. We aim to hold the workshop later in 2012 for the purpose of ensuring consistency in the audit process.

The Board remains committed to maintaining the integrity of the B-QUAL program and ensuring it remains relevant and beneficial to the industry.

Gary Altmann

VARROA TREATMENT & PREPAREDNESS COMMITTEE REPORT

The Australian Honey Bee Industry Council (AHBIC) formed the Varroa Treatment & Preparedness Committee (VT&PC) which had its first meeting in July 2011. The committee was formed with beekeepers from every state and research group representatives to drive the implementation of a report developed by the federal Department of Agriculture, Fisheries and Forestry (DAFF) with input from across the honeybee and pollination industries. The report, “*A honey bee industry and pollination continuity strategy should Varroa become established in Australia*” (http://www.daff.gov.au/data/assets/pdf_file/0004/1910029/honeybee-report.pdf) spelled out the actions that needed to be undertaken for the honeybee industry to be ready if the Varroa mite ever became established in Australia.

The committee has essentially been in abeyance since Sept 2011. The reason for this was that Plant Health Australia (PHA) was given funding from DAFF to setup a committee to manage the implementation of the honeybee continuity strategy, which is exactly what AHBIC had formed the VT&PC for. So it was decided to wait and see what eventuated from the PHA committee before time was wasted duplicating the same efforts.

At a subsequent AHBIC Executive meeting it was decided that the AHBIC VT&PC committee should continue for the foreseeable future, even if the committee operated as a communication conduit only to the wider beekeeping community.

The PHA Committee, Varroa Continuity Strategy Management Committee (VCSMC), has since met twice so far in 2011-12. Its first meeting reiterated that this PHA committee was replicating the aims of the AHBIC committee, with the added benefit of money allocated towards its operation and a wider beekeeping, pollinating, government and research membership.

The future for the AHBIC VT&P Committee will remain as a communication conduit until a decision is made otherwise.

Peter McDonald
Chairman

PLANT HEALTH AUSTRALIA REPORT

➤ *The Asian Honey Bee Transition to Management Program*

The Australian government is investing \$2 million from July 2011 to June 2013 to progress a transition from eradication of Asian Honey Bee (AHB) into management of the pest as it becomes more widely established in Australia. It will do this in partnership with Biosecurity Queensland and the Australian Honey Bee Industry Council (AHBIC), who will also contribute significant funding and undertake activities in complementary programs to adapt to life with AHB.

The Asian Honey Bee Transition to Management Programs (AHB T2M) is being administered by Plant Health Australia (PHA). The AHB T2M consists of a series of contracts, which are funded by DAFF and that will be delivered by Biosecurity Queensland.

To oversee the AHB T2M and monitor its delivery and ensure that the Program outcomes are achieved, an Asian Honey Bee Transition Management Group (AHB TMG) has been established. The AHB TMG is chaired by DAFF and consists of senior representatives from DAFF, Biosecurity Queensland and the Australian Honey Bee Industry Council (AHBIC). The AHB TMG has met by teleconference six times since December 2011 and will meet monthly until June 2012 at which time the frequency of meetings will be reviewed. Plant Health Australia is an observer on the AHB TMG in recognition of its role as contract manager; however, PHA does not participate in the decision-making process.

An Asian Honey Bee Scientific Advisory Group (AHB SAG) has also been established to provide technical advice, feedback and consideration of specific projects and activities within the AHB T2M program. The AHB SAG consists of honey bee scientists and industry experts. PHA chairs the AHB SAG meeting and also provides the secretariat.

The AHB SAG has met five times since December 2011, both in person and by teleconference, and will continue to meet regularly until the conclusion of the AHB T2M Program. One of these meetings was a 2 day visit to Cairns, the site of the AHB incursion. These meetings have discussed the technical and scientific aspects of the program, specifically focusing on research projects that are linked in with the AHB T2M which could be funded from the industry contribution of \$400,000.

Research projects developed from Industry funding and that have been approved by the AHB SAG and the AHB TMG include:

- Developing an attractant specific to *Apis cerana* Java strain for the use in bait stations to aid in the suppression of Asian honey bee in Cairns.
- Establishing the disease status of *Apis cerana* Java strain in the Cairns region with particular reference to viruses.
- To determine the possibility of inter-specific mating between *A. cerana* and *A. mellifera*
- Developing a strategy to address concerns of countries that import Australian honeybees
- Conducting a risk assessment of Australian ports for bee pests and pest bees

The AHB SAG is also working closely with Biosecurity Queensland to design the methodology of the Fipronil remote poisoning trials of AHB.

PHA has developed a website for the AHB T2M Program (<http://asianhoneybee.net.au/>). This website contains information about the AHB T2M Program, information on the AHB TMG and AHB SAG and links to their terms of reference and minutes, as well as links to other AHB related documents and websites. If you have any questions or queries regarding the program, feel free to contact PHA on Phone: 02 6215 7700 Email: info@asianhoneybee.net.au or visit: <http://www.phau.com.au>

➤ ***The Varroa Continuity Strategy Management Committee***

This strategy forms part of the Australian Government's response to the 'More Than Honey: the future of the Australian honey bee and pollination industries' report. To give effect to several of these recommendations a report was finalised and published in May 2011 and was called 'A honey bee industry and pollination continuity strategy should Varroa become established in Australia'.

The Objective of the Varroa Continuity Strategy is to have arrangements in place that allow the honey bee industry, growers of pollinator reliant crops and governments to prepare for, and respond quickly and efficiently to the potential incursion and establishment of Varroa in Australia. This is so the effects on the honey bee industry and pollination reliant crops are minimised as much as possible.

To ensure the implementation of this objective, multiple actions were suggested in five overarching themes. The overarching themes include:

Ensure Implementation

Strengthen the capacity of the honey bee industry

Strengthen the capacity of crop industries

Strengthen the post-border biosecurity preparedness

Coordinate research, development and extension

To oversee the implementation of the Varroa Continuity Strategy, Plant Health Australia (PHA) was selected to promote, co-ordinate, implement and report on the progression of the strategy. Funding was provided to PHA to oversee this role from between July 2011 – July 2013.

PHA formed the VCSMC in October of 2011 and its membership consists of honey bee scientists, government representatives, industry representatives from AHBIC and the pollination industries as well as representatives from horticultural and pollination reliant industries. PHA also Chairs and provides the Secretariat for the meeting. The VCSMC first met on the 9th November, 2011, in Sydney. The VCSMC met again on the 21st March, 2012, in Melbourne and is scheduled to meet for a third time later in 2012.

Some of the key priority areas that have been discussed and agreed upon to implement the action items listed above include:

- Stocktake of detailed contact information for every state and territory commercial and amateur beekeeping association in Australia, as well as every major beekeeping supply store in Australia
- To link in upcoming communication and awareness material with what is currently already available with PHA and the RIRDC and the Pollination program websites and material etc.
- To create a PHA website titled '*The Varroa Continuity Strategy – an information resource for beekeepers*'. The role of this website is diverse, and will include links to Australian websites and honey bee organisations, relevant awareness and communication material, links to honey bee scientific organisations as well as links to practical overseas knowledge on pollination and Varroa management from the UK, US, NZ and Canada.
- To develop, and implement, a Varroa specific Industry Liaison Officer (ILO) 2-day training workshop for beekeeping industry representatives in each state and territory.
- To develop draft protocols that could potentially allow the treatment and movement of hives interstate
- To progress and maintain the provisional registration of key chemicals for the treatment of Varroa.
- To undertake a review of current accredited training workshops provided to beekeepers regarding best management practices, honey bee pests and diseases, with a specific focus on exotic pests such as Varroa.
- To regularly update the honey bee industry on the progression of the VCSMC through updates in the AHBIC newsletter, the ABK, the ABJ as well as distribution into horticultural industries through Cox Inall.

➤ ***The National Bee Pest Surveillance Program***

The contracting of The National Sentinel Hive Program from DAFF recently moved from the Office of the Chief Veterinary Officer (OCVO) to the Office of the Chief Plant Protection Officer (OCPPO). As part of these new arrangements, management of the program also moved from Animal Health Australia (AHA) to Plant Health Australia (PHA). The funding of the program was transferred from AHA to PHA in January 2012 and includes enough funding to continue the National Sentinel Hive Program until July 2013.

One of the main changes with the program moving to OCPPO and PHA has been the desire to move from a purely sentinel hive program, to a more complete National bee surveillance strategy and to look at all potential components that could make up surveillance for pests of bees and pest bees. This change has been evidenced in the name change of the program to The National Bee Pest Surveillance Program.

As part of this move to OCPPO, PHA are attempting to put in place contracts with each of the state jurisdictions to allow the better tracking of funds, as well as assisting OCPPO, as the permit holder, to determine that each jurisdiction is complying with the chemical permits on residues, OHS and reporting, amongst other issues.

A meeting was held in Melbourne on the 20th March 2012 in Melbourne with State/Territory Apiary Officers. Various issues were discussed in regards to the program, such as the permits in place and the specifications within the contracts. Due to the requirements raised in the proposed contracts with each jurisdiction, as well as funding arrangements, no contracts have been returned to PHA as of yet.

PHA only has the funds to maintain the sentinel hives until June 2013, but in this period, PHA and various other parties are looking at potential sources of funding and also the types of surveillance activities that should be occurring in a national program. As such, PHA is viewing the current arrangements as interim arrangements until how this program proceeds is determined, and if and where funding can be secured.

PHA has held discussions with AHBIC, HAL and RIRDC and funding has been provided by HAL to PHA to hold a 2-day workshop in Melbourne on the 3rd/4th July with the beekeeping industry, horticultural industries and relevant government officials to discuss issues such as funding and the continuity of the National Bee Pest Surveillance Program beyond June 2013.

➤ ***Biosecurity implementation to strengthen Australia's honey bee and pollination responsive industries***

Following the recent transition of honey bee pest incursion response arrangements to Plant Health Australia (PHA) and the Emergency Plant Pest Response Deed (EPPRD) in 2009, there is a need to update the Honey bee Industry Biosecurity Plan (IBP) to be consistent with the framework for other Members of PHA.

The PHA IBP builds on the framework of documents that were developed through Animal Health Australia (AHA), but will also identify exotic pest threats to the honey bee industry, provide background information on the industry, identify surveillance activities at the state and national level, diagnostic capabilities available to the industry and create an 'Action list' of biosecurity preparedness activities, amongst other things. While some of the information is currently available through various sources within the honey bee industry, the development of the PHA Honey Bee IBP will review and collate the information into a single document that can provide the framework for biosecurity activities in the industry.

It is envisaged that the Honey Bee IBP will be used by policy makers, decision makers and those responsible for biosecurity risk mitigation in the honey bee industry. IBP's are high level documents and as such, it will be used by AHBIC in planning the implementation of biosecurity activities within the industry.

Within this project, biosecurity implementation will be strengthened through the development of a Honey Bee Biosecurity Manual (HBBM).

The development of an industry specific biosecurity manual provides a mechanism for the implementation of the honey bee IBP at the producer level. The HBBM includes basic information on exotic and established pest threats (including images), together with simple, effective practices to identify and mitigate biosecurity risks for people, products, vehicles and equipment. For the commercial beekeepers within the honey bee industry, this manual will encourage biosecurity best

practice and involvement in Quality Assurance programs such as B-QUAL. For hobby and amateur beekeepers, this manual will provide an accessible source of information on the importance of biosecurity, high priority pest threats and biosecurity best practice. This document will be linked to increasing awareness of biosecurity importance and practices at the producer level, in both commercial and amateur and hobby beekeeping operations.

To complement the HBBM, an online training module will be developed to assist in providing training to beekeepers of exotic pests and diseases, IPM strategies and to promote best practice management standards and quality assurance standards.

The development of pest specific contingency plans will also be developed for four exotic pests of honey bees. These contingency plans will contain pest information, risk assessment of various pathways and potential impacts, pest management issue and potential courses of action after the incursion. Given the difficulty of eradicating bee pests, a specific section in the Contingency Plans will be tailored towards activities that will facilitate a possible transition to management of pest incursions. These contingency plans will be consistent with PLANTPLAN which is the agreed technical response plan used by jurisdictions and industry in responding to an emergency plant pest (EPP) incident. It provides nationally consistent guidelines for response procedures under the EPPRD, outlining the phases of an incursion (investigation, alert, operational and stand down), as well as the key roles and responsibilities of industry and government during each phase.

An Industry Biosecurity Group (IBG), coordinated by PHA and AHBIC, has been formed to assist in the development and review of the IBP, HBBM, Contingency Plans and the online training module. The IBG includes representatives from AHBIC and PHA, as well as representatives from relevant state/territory agencies, the Australian Government and honey bee scientists. All documents are on target to be finalised by December 2012.

Linking these documents together will strengthen the biosecurity preparedness and capability needs for the Australian honey bee industry.

Sam Malfroy

Project Officer, Plant Health Australia

RIRDC REPORT

Over the last year the Rural Industries Research and Development Corporation has undertaken a number of activities of importance to the beekeeping industry.

The Honeybee Program Advisory Committee (that used to be known to many as 'HBRDC') saw the arrival of a new Chair, Michael Hornitzky, in July 2011. RIRDC appreciated the significant input provided to the Committee by the previous Chair Des Cannon. Bruce White will also be leaving the Committee in June 2012 as he has completed his second consecutive term as a member. RIRDC appreciated the many skills and experience Bruce brought to the Committee's deliberations.

With AHBIC's assistance, RIRDC reviewed the investments made and projects delivered over the life of the current Honeybee Program five year plan for research, development and extension activities. It was pleasing to see the value that industry has gained from these investments and the strong positive benefit-cost ratios for three randomly selected projects. Again with AHBIC's and the Committee input, RIRDC has developed a new plan that will be implemented from July 2012.

RIRDC has made a suite of investments through the Honeybee Program over the last year. Using voluntary contributions provided by AHBIC and FCAAA, RIRDC has invested in five projects that pursue the *Asian Honey Bee Transition to Management Plan*. RIRDC will soon publish a book by Mark Leech, *Pollen and nectar supplies – planting floral resources that benefit European honeybees and Australian native pollinators*. The book is likely to have a wide audience from beekeepers to gardeners, town / rural landscape planners and farmers; all of whom could use the book to guide their plantings that would increase the resources for honeybees.

The Pollination Program is jointly funded from funds from the Honeybee Program and funds from industries reliant on pollination, through Horticulture Australia Limited. The Honeybee Program provides about a quarter of the funds to the Program. The goal of the Pollination Program is to support research, development and extension activities that will secure the pollination of Australia's horticultural and agricultural crops into the future on a sustainable and profitable basis.

Two booklets are soon to be published that were funded under the Pollination Program. *Honeybee pesticide poisoning - risk management tool for Australian farmers and beekeepers* will help beekeeper and farmers improve communication and work together to manage the risk to honeybees from farm pesticides. The *Pollination manual for growers and beekeepers in NZ and Australia* will assist beekeepers and growers determine pollination services.

It was with significant disappointment that early in 2012, despite the efforts of many from industry, the research community and others, the proposed bid for a *Honeybee and Pollination Security Cooperative Research Centre* did not secure sufficient support to allow a credible bid to be made. Nevertheless, the bid development process identified a program of high-quality research, development and extension activities, covering enhanced bee breeding and genetics, pest and pathogen control, and pollination enhancement and sustainability that would deliver important outcomes for industry. Participants in the bid's development have agreed to explore alternative routes to seeking funding support for the work.

Dr Dave Alden

Senior Research Manager

GOLDEN BEE SCORES A HERITAGE 'A'

In a first for Tasmania, a honey factory, apiary and associated residence have been entered in the Tasmanian Heritage Register.

The R Stephens Golden Bee honey factory, apiary and residence at Mole Creek in Tasmania's north has a rich history as one of the first commercial honey factories in the state, and one of the first commercial producers of leatherwood honey.

Former chairperson of the Tasmanian Heritage Council, Michael Lynch, said this was certainly one of the more unusual listings he had seen entered in the heritage register, and it was an important and fascinating part of Tasmania's Historic heritage.

"The honey factory had humble beginnings as the hobby of its founder, Robert Stephens. At the outbreak of the First World War, Stephens enlisted in the army and while serving in France managed to undertake research into beekeeping," Mr Lynch said.

"Upon his return to Tasmania he purchased two acres of land in 1920 with his army pension, and expanded his hobby into a business."

The business has evolved on the original site under the guidance of three generations of honey industry pioneers – the Stephens family.

“It’s a terrific story to think that one Tasmanian family exports this internationally renowned honey to the world, from a site occupied since 1920,” Mr Lynch said.

“Although the honey is sourced from across Tasmania’s wilderness areas, all the processes are undertaken on the Mole Creek site, from the breeding of bees, the maintenance of the meticulous beekeeping records, and packaging of honey to the marketing of the product. The place is like a living museum.”

The Stephen’s family home has been provisionally listed as well because its close proximity to the factory has allowed the family to have a hands-on approach to their business.

“Their home was built in the 1950s in the Arts and Crafts style from local un-coursed stones set in a random rubble form, and it is positioned among a picturesque garden, “ Mr Lynch said. “It was designed by notable Australian architect Iliffe Gordon Anderson.”

Anderson designed many substantial building and residences in Victoria and Tasmania including the Geelong West Town Hall, the CML Insurance Building in Geelong, the Hobart Swimming Pool, the Blue Hills Motel in Battery Point and the Glenorchy Council Chambers.

The honey factory has also brought fame to the township of Mole Creek and undoubtedly assisted the development of a tourism industry.

The second generation owner, Ian Stephens, is delighted that the golden bee honey factory and residence have been included in the Tasmanian Heritage Register.

“This means a lot to our family. It means the work the whole family has done is recorded, and that really is quite an honour,” Mr Stephens said.

“I wanted this place in the Register in fact, to protect it for future generations and to highlight the tremendous history we have here.”

APIS CERANA UPDATE **Advice 113 – 22 May 2012**

Since my last Advice 112, there have been two instances of Asian bees being found outside the RA. One was in the week ending 23 April at Wangetti Beach which is about two (2) kilometres north of the RA boundary. The other was on 10 May at South Johnstone which is about 17 kilometres south of the RA. It is less than this (around five (5) kilometres if my memory serves me correctly) from Innisfail where previous finds outside the RA have occurred. Floral sweeping five (5) kilometres south east of South Johnstone following this find has found Asian bees and this find is being followed up.

With the Transition to Management Plan for the Asian bees (T2M) details of the plan, the minutes of the Scientific Advisory Group (SAG) and the Transition Management Group (TMG) can be found at <http://asianhoneybee.net.au/> so you can keep up to date at this site.

The remote poisoning trials continue with 12 nests being trialled so far. There has been a variation in the results which will be on the website.

Checks are still to be made on any nests and swarms destroyed for mites. So far no mites have been detected. Currently it is only passive destruction.

The phone hook-ups with the Queensland DAFF (name change from DEEDI) continue with the next scheduled for 24 May. The proposal looking at the possibility of reducing the restrictions on movements out of the RA, but only within 200 kilometres, has been put on hold following advice from the Commonwealth DAFF. There was concern expressed by Commonwealth DAFF that export of live bees could be affected. As Canada is one of these possibilities, discussions are to be held with Medhat Nasr who is the head of the Importation Committee for the Canadian Association of Professional Apiculturists and acts in an advisory capacity to the Canadian beekeepers and the Government. Medhat is the keynote speaker at the Queensland Beekeepers Association conference next month.

If anyone wants any other information, feel free to contact me at any time.

Trevor Weatherhead

2012 ANNUAL GENERAL MEETING AND SECTOR CONFERENCES

New South Wales Apiarists' Association	24/25 May 2012
Tasmanian Beekeepers' Association	5/6 July 2012
Victorian Apiarists' Association	20/21 June 2012
WA Farmers Federation - Beekeeping Section	8 June 2012
Queensland Beekeepers' Association	14/15 June 2012
South Australian Apiarists' Association	28/29 June 2012
Honey Packers' and Marketers' Association	June 2012
National Council of Crop Pollination Associations	17 July 2012
Australian Queen Bee Breeders' Association	TBA
Australian Honey Bee Industry Council	6 July 2012
Federal Council of Australian Apiarists' Associations	6 July 2012

CHAIRMAN’S REPORT

Dear Reader and Apiary Industry Supporter

It has been a difficult year not only for beekeepers but your Industry association.

I would also like to thank all the Producers and Packers who have contributed to the Industry in the past twelve months. Despite the difficult financial position Apiary Industry has had an extremely busy and important twelve months in its history and without your financial support we would undoubtedly be in a much worse position than we are today.

I would like to put on record my thanks to Industry for the honour of representing them as AHBIC Chair. I would also like to thank my fellow directors for their support and of course my family who have made it possible for me to spend the time on Industry affairs whilst being a full-time beekeeper.



**LINDSAY BOURKE
CHAIRMAN**



VOLUNTARY CONTRIBUTIONS FOR 2012-2013 WILL BE GRATEFULLY RECEIVED

AUSTRALIAN HONEY BEE INDUSTRY COUNCIL		
PO Box R838, Royal Exchange NSW 1225	ABN 63 939 614 424	
Phone (02) 9221 0911 Fax: (02) 9221 0922	Email: ahbic@honeybee.org.au	

TAX INVOICE/RECEIPT

Yes I wish to support my industry and attach:

- Up to 50 hives = \$50.00 51 and over hives = \$1.00 per hive

PAYMENT OPTIONS

CHEQUE \$

DIRECT DEPOSIT:

Account: Australian Honey Bee Industry Council
 Bank: Commonwealth Bank, Maroubra Junction, NSW.
 BSB: 062 198 Account No. 1022 2090

***** Please quote name as reference on statement *****

I would like to receive the AHBIC Annual Report

Name:

Email:

Address:

FUTURE POST ENTRY QUARANTINE ARRANGEMENTS

In the 2012-13 Budget, the Australia Government has announced funding of \$379.9 million over seven years for the construction and operation of a new post entry quarantine (PEQ) facility for high risk plant and animal imports.

This builds on the government's announcement in the 2011-12 Budget, when a commitment to fund further development of future post entry arrangements (including detailed design work and procurement activities related to land acquisition) was made, along with funds for the maintenance and refurbishment of existing DAFF PEQ facilities.

When the concept design work is complete, the proposal will be referred to the Parliamentary Public Works Committee, which must approve the project before any building work can begin.

The project will replace our current post entry quarantine facilities with a sustainable, reliable facility that adopts modern technology and operating practices. It will deliver a state-of-the-art facility that will consolidate existing animal and plant services into a single, integrated site in Victoria.

The additional detailed design work being undertaken in the next 12 months will help to settle the size, structure and layout of any new facilities. The consolidation of Australia's existing PEQs into one facility in Victoria means that the facility will be of a substantial size.

DAFF Biosecurity has undertaken an extensive stakeholder consultation program to ensure that staff, facility users and interested parties provided input on matters including operational, business and future facility needs, cost estimates and risks and impacts.

This input has supported the effective development and analysis of options for future post entry arrangements, especially on matters such as:

- suggestions for the layout and design of each element of the facility on the Victorian site
- information about recent changes in patterns and volumes of imports through PEQ sites, and views about likely future changes in imports
- views on the potential for improvements in the technical specifications of each building or key structure in the post entry facilities and
- information and data on the scale and complexity of post entry operations.

This process of consultation will continue through ongoing engagement with staff and registered stakeholders.

You can register by emailing the project at: peqproject@daff.gov.au or by visiting our website: <http://www.daff.gov.au/aqis/quarantine/future-post-entry-quarantine-arrangements> or by calling our toll free number 1800 134 497.

Yours sincerely

Peter Moore

A/g Assistant Secretary

Future Post Entry Quarantine Arrangements

Finance and Business Support Division

Department of Agriculture, Fisheries and Forestry

BUDGET REPLY FROM MINISTER FOR AGRICULTURE

The 2012-13 Federal Budget delivers a real and continued investment in agriculture and in our regional and rural communities. The Government had to make tough decisions in this year's Budget to deliver a surplus and the fundamental benefits for working Australians that come with it. In making those decisions, this Government also made sure we continued to support policies that keep Australia's farming communities on the front foot.

As Minister for the Agriculture, Fisheries and Forestry, I'm proud of this Government's investment of \$14.3 billion in regional Australia through my portfolio since 2007. This strong investment in our farmers and our wider agriculture sector has continued in today's Budget.

This Government is committed to safeguarding Australia's agricultural sector, our people and our environment and protecting our reputation as a reliable exporter of high-quality food and fibre. A \$524.2 million investment in our biosecurity system from this year's Budget will deliver a state-of-the-art quarantine facility and strengthen Australia's defences against pests and diseases. The Government is also prioritising the reform of the century-old Biosecurity Act to modernise our legislation, create a responsive and flexible operating environment, and maintain our world-class biosecurity system. All up, the funding announced in the 2012-13 Federal Budget will see more than \$1.6 billion invested in biosecurity by the Australian Government since the Beale review.

Protecting Australia's natural resources more broadly is also a priority for this Government. In this Budget, the Government has committed to continue its flagship Caring for our Country program for another five years. This means an additional \$2.2 billion will be invested from 2013-14 to support sustainable agriculture innovation, weed and pest eradication and management, and better practices to protect our natural resources, among other things. This includes \$200 million funding for Landcare. From July 2013, the Caring for Our Country program will be split into separate but complementary sustainable environment and sustainable agriculture streams, to allow for better decision making processes and a more focused delivery on our priorities. A stream dedicated to agriculture means our farmers and farming communities will directly benefit.

This year's Budget provides an estimated \$235.9 million to match research and development expenditure by Research and Development Corporations (RDCs) in 2012-13. This funding will continue to drive production and growth, as well as consolidate Australia's reputation as a competent, high-quality producer at the domestic and international level. To date, the four budgets handed down by this Government have contributed \$886.3 million in matching expenditure to RDCs. By the end of next financial year, that investment will have climbed to \$1.1 billion.

Hand in hand with these on-the-ground efforts is the Government's existing \$1.7 billion land sector package, which includes \$429 million Carbon Farming Futures Package. Funding is currently being rolled out across the country for research projects which will help farmers get involved and take advantage of the great opportunities the packages provide.

The next year will provide abundant opportunity for our farmers and rural and regional farming communities. In addition to delivering a surplus, the Australian Government is making the investments needed to drive Australia forward and help our farmers and regional communities take advantage of those opportunities.

By investing in agriculture and our farming communities, the Gillard Government is investing in Australia's future.

Senator Joe Ludwig

Minister for Agriculture, Fisheries and Forestry

2012 - 2013 FEDERAL BUDGET SUMMARY

Families will inevitably benefit from the 'schoolkid's bonus of either \$820 or \$410 (although this is arguably merely a boost for those most vulnerable to the carbon tax) but the gain is at the expense of the education tax refund which will be removed. Further, the Family Tax Benefit Part A will increase by \$300 for families with one eligible child and \$600 for two or more children however the benefit will be limited to children under 18 years of age.

Business taxpayers are confronted with a similar scenario. The loss carry back initiative will assist some companies with their cash flows however this is offset by a scrapping of the announced reduction in the company tax rate to 29% and significant limitations will be placed on access to LAFHA benefits which will increase the cost of the temporary relocation of employees.

There are budget announcements which will be of great concern to Australians who seek to maximise their savings both now and in the longer term, in particular:

- The scrapping of the 50% discount in respect of assessable interest income which was to commence from 1 July 2013; and
- The deferral until 1 July 2014 of the higher concessional contribution cap of \$50,000 for persons over 50 years of age with superannuation account balances below \$500,000.

High net worth individuals will no doubt have been expecting the increase in tax on concessional superannuation contributions but would have been less prepared for the limitations placed on availability of the employment termination payment offset and the means testing of the net medical expense tax offset.

The key measures announced in the federal budget which both "give" and "take away" are summarised below.

INDIVIDUAL AND FAMILY TAX MEASURES

INDIVIDUALS

Personal income Tax rates - residents (2012-13 year)

These tax rates were announced when the carbon tax legislation was enacted and were confirmed in the Budget:

- Taxable income up to \$18,200 - 0% Rate
- Taxable income from \$18,201 to \$37,000 - 19% Rate
- Taxable income from \$37,001 to \$80,000 - 32.5% Rate
- Taxable income from \$80,001 to \$180,000 - 37% Rate
- Taxable income over \$180,000 - 45% Rate

Personal income Tax rates - non residents

From 1 July 2012, the first two marginal tax rate thresholds will be merged into a single threshold. The marginal rate for this threshold will align with the second marginal tax rate for residents (32.5 per cent) and will apply to all taxable income below \$80,000. From 1 July 2015, the same marginal rate will again rise from 32.5 per cent to 33 per cent. The tax-free threshold will be increased to \$18,200 from 1 July 2012.

Employment Termination Payment Tax Offset

From 1 July 2012, only that part of an ETP, which takes a person's total annual taxable income (including the ETP) to no more than \$180,000 will receive the ETP tax offset.

Amounts above this whole-of-income cap will be taxed at marginal rates. The whole-of-income cap will complement the existing ETP cap (\$175,000 in 2012-13, indexed). The ETP tax offset ensures that ETPs up to the ETP cap are taxed at a maximum tax rate of 15 per cent for those over preservation age and 30 per cent for those under preservation age.

Existing arrangements will be retained for certain ETPs relating to genuine redundancy (including to those aged 65 and over), invalidity, compensation due to an employment-related dispute and death.

Net medical expenses tax offset

From 1 July 2012, people with adjusted taxable income above the Medicare levy surcharge thresholds (\$84,000 for singles and \$168,000 for couples or families in 2012-13), will face an increased threshold before being able to claim this offset (the threshold for the 2012 income year was \$2,000). The offset threshold is to be increased to \$5,000 (indexed annually thereafter) and the rate of reimbursement will be reduced to 10% for eligible out of pocket expenses incurred. People with income below the surcharge thresholds will be unaffected by this measure.

Consolidate the dependency offsets into one

The following offsets are to be consolidated; the invalid spouse, carer spouse, housekeeper, housekeeper (with child), child-housekeeper, child-housekeeper (with child), invalid relative and parent/parent-in-law tax offsets.

The new consolidated offset will be based on the highest rate of the existing offsets it replaces, resulting in an increased entitlement for many of those eligible for this measure.

Taxpayers who are currently eligible to claim more than one offset amount in respect of multiple dependants who are genuinely unable to work will still be able to do so.

Mature Age Worker Tax Offset phase-out

The Government will phase out the mature age worker tax offset (MAWTO) from 1 July 2012 for taxpayers born on or after 1 July 1957. Access to the MAWTO will be maintained for taxpayers who are aged 55 years or older in 2011-12.

Medicare levy low income thresholds

The Government will increase the Medicare levy low income thresholds to \$19,404 for individuals and \$32,743 for families for the 2011-12 income year, with effect from 1 July 2011. The additional amount of threshold for each dependent child or student will also increase to \$3,007.

The Medicare levy threshold for single pensioners below Age Pension age will also increase to \$30,451 for the 2011-12 income year, with effect from 1 July 2011. This increase will ensure that pensioners below Age Pension age do not pay the Medicare levy when they do not have an income tax liability.

Measures from previous budgets that have been discontinued

The Government will not proceed with the 2010-11 Budget measure of a 50 per cent discount for assessable interest income which was due to commence on 1 July 2013.

The Government will not proceed with the 2010-11 Budget measure to introduce a standard deduction for work related expenses which was due to commence on 1 July 2013.

FAMILIES

Parenting Payment (PP) - changed eligibility for 1 July 2006 grandfathered recipients From 1 January 2013; all PP recipients who were on payment prior to 1 July 2006 will be assessed under the same eligibility requirements as new PP recipients. Under this measure grandfathered recipients with their youngest child aged six years or over (for partnered recipients) or eight years or over (for single recipients) will cease to be eligible for PP and will transition onto New start Allowance (NSA) unless they move into employment.

Parents who transition onto NSA will be eligible for the more generous income test taper that will take effect from 1 January 2013. The new more generous income test reduces NSA payments by 40 cents (rather than the previous 50 cents) for every dollar of income earned above the income-free area (currently \$62 per fortnight).

New income support supplement

The supplement will be an ongoing, non-taxable payment to recipients of New start Allowance, Sickness Allowance, Youth Allowance, Austudy, ABSTUDY, Special Benefit, Parenting Payment Single, Parenting Payment Partnered, Transitional Farm Family Payment and the Exceptional Circumstances Relief Payment. The new supplement will provide \$210 per annum for eligible singles and \$175 per annum for each member of an eligible couple.

The supplement will be paid in two instalments, in March and September each year, with the first payment commencing on 20 March 2013.

Family Tax Benefit Part A - change to age of eligibility/increased payments

From 1 January 2013, the Government will limit eligibility for Family Tax Benefit (FTB) Part A to young people under 18 years of age or, where a young person remains in secondary school, the end of the calendar year in which they turn 19. Individuals who no longer qualify for FTB Part A may be eligible to receive Youth Allowance subject to usual eligibility requirements. The maximum payment rate will increase by \$300 per annum for families with one child and \$600 per annum for two or more children from 1 July 2013.

Replacing the Education Tax Refund with a Schoolkids Bonus

From January 2013, every family with a child at school will be paid \$410 per annum for each primary school student and \$820 per annum for each secondary school student. All eligible families will receive the full rate of payment and will no longer need to keep receipts as proof of expense, or wait until lodging their income tax return to obtain the benefit.

Eligibility for the payment will remain open to families with children enrolled and attending school who are in receipt of Family Tax Benefit Part A (FTB A) or other qualifying income support payments or allowances under a prescribed educational scheme that precludes the family from receiving FTB A. This measure will replace the Education Tax Refund.

KEY BUSINESS MEASURES

Company tax loss carry-back scheme

The Government will allow companies (and entities taxed like companies) to carry-back tax losses to offset previous profits so as to provide a refund of tax previously paid.

A one year loss carry-back will apply in 2012-13, where tax losses incurred in that year can be carried back and offset against tax paid in 2011-12.

For 2013-14 and later income years, tax losses can be carried back and offset against tax paid up to two years earlier.

Losses of up to \$1 million can be carried back for each year, providing a cash benefit of up to \$300,000.

The measure will apply to revenue losses only, will be subject to integrity rules and will be limited to a company's franking account balance.

Immediate write off for Small Business Entities

From 1 July 2012, small business entities (with a turnover of less than \$2 million) will be able to:

- instantly write-off the first \$5,000 of a new or used motor vehicle
- immediately write off each eligible business asset they buy costing less than \$6,500 per asset

This confirms initiatives previously announced by the Government.

Reduction in Company Tax Rate

The proposed measure to lower the company tax rate from 2013/14 will not proceed. The Government will also not implement the proposed early start to the company tax rate cut for small business entities from the 2012-13 income year.

SUPERANNUATION

Reduction of superannuation tax concessions for high income taxpayers

From 1 July 2012 the contributions tax paid on concessional contributions for individuals with income greater than a threshold figure of \$300,000 will increase from the current 15% rate to the higher rate of 30%.

The definition of 'income' under this measure is expected to include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income, tax-free government pensions and benefits, less child support.

Concessional contributions include all employer contributions (both superannuation guarantee and salary sacrifice contributions) and personal contributions for which a deduction has been claimed; for members of defined benefit funds (both funded and unfunded schemes), concessional contributions include all of their notional employer contributions.

For incomes near the threshold of \$300,000, where the taxpayer's income excluding their concessional contributions is less than the threshold, but the inclusion of their concessional contributions exceeds the threshold, the reduced tax concession (or higher contributions tax) will only apply to the part of the contributions that are in excess of the threshold.

Treasury will consult with the superannuation industry and other relevant stakeholders on further design and implementation details.

Note 1: Reduced tax concessions or a higher contributions tax will not apply for the contributions that exceed the cap. These will be taxed (as currently) under the excess contributions tax regime.

Excess concessional in these circumstances will not be taxed at a rate higher than the top marginal tax rate plus Medicare levy.

Note 2: The measure will only relate to concessional contributions by very high income taxpayers to super. The 15% concessional tax rate on earnings and tax exemption applicable to assets supporting pension payments will be unaffected by this measure.

According to the Government, the measure will affect around 128,000 people in 2012-13.

Deferral of higher concessional contributions cap

The higher concessional cap of \$50,000 for those 50 and over as proposed in the 2010-11 Budget for implementation from 1 July 2012 will be deferred by two years to commence from 1 July 2014.

During these two years the general cap of \$25,000 is to apply to all taxpayers.

The government expects that in 2014-15 the general cap is likely to increase through indexation to \$30,000, and that the higher cap would then commence at \$55,000.

In addition this two year deferral will align the start date with improved superannuation fund reporting and systems under the SuperStream reforms and therefore allay industry concerns about the difficulty and cost in determining individual eligibility for the higher cap. The ATO online reporting facility will also provide access to comprehensive account balance information from early 2014.

FRINGE BENEFITS TAX

Further Reform of Living-Away-From-Home Benefits

The Government will further reform the tax concession for living-away-from-home allowances by:

- limiting access to the tax concession to employees who maintain a home for their own use in Australia, that they are living away from for work; and
- providing the tax concession for a maximum period of 12 months in respect of an individual employee for any particular work location.

This measure will not affect:

- the tax concession for 'fly-in fly-out' arrangements, as these employees will not be subject to the 12 month time limit; or
- the tax treatment of travel and meal allowances, which are provided to employees who have to travel away from their usual place of work for short periods (generally up to 21 days).

The measure will apply from 1 July 2012 for arrangements entered into after 7.30pm (AEST) on 8 May 2012, and from 1 July 2014 for arrangements entered into prior to that time.