



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

ESTIMATES

(Public)

TUESDAY, 15 FEBRUARY 2022

CANBERRA

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RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

TUESDAY, 15 FEBRUARY 2022

Members in attendance: Senators Antic, Bilyk, Canavan, Ciccone, Davey, Faruqi, Griff, Lines, McCarthy, McDonald, McMahon, Mirabella, O'Neill, Patrick, Rice, Roberts, Sheldon and Whish-Wilson

AGRICULTURE, WATER AND THE ENVIRONMENT PORTFOLIO

In Attendance

Senator Colbeck, Minister for Senior Australians and Aged Care Services, Minister for Sport

Senator Duniam, Assistant Minister for Forestry and Fisheries, Assistant Minister for Industry Development

Senator Hume, Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women's Economic Security

Senator McKenzie, Minister for Emergency Management and National Recovery and Resilience, Minister for Regionalisation, Regional Communications and Regional Education

Department of Agriculture, Water and the Environment

Executive

Mr Andrew Metcalfe AO, Secretary

Dr Chris Locke, Deputy Secretary, Environment and Heritage Group

Mr James Tregurtha, Acting Deputy Secretary, Major Environment Reforms Group

Ms Cindy Briscoe, Deputy Secretary, Enabling Services Group

Ms Rachel Connell, Acting Deputy Secretary, Water, Climate Adaptation, Natural Disaster and Antarctic Group

Mr David Hazlehurst, Deputy Secretary, Agricultural Trade Group

Ms Rosemary Deininger, Deputy Secretary, Agriculture Policy, Research, and Portfolio Strategy Group

Mr Andrew Tongue, Deputy Secretary, Biosecurity and Compliance Group

Agricultural Policy Division

Ms Joanna Stanion, First Assistant Secretary

AGVET Chemicals, Fisheries, Forestry and Engagement Division

Ms Emma Campbell, First Assistant Secretary

Australian Bureau of Agricultural Resource Economics and Sciences

Dr Jared Greenville, Acting Executive Director

Biosecurity Animal Division

Dr Robyn Martin, First Assistant Secretary

Dr Mark Schipp, Chief Veterinary Officer

Biodiversity Conservation Division

Ms Cassandra Kennedy, First Assistant Secretary

Mr Steve Costello, Assistant Secretary, Program Delivery Branch

Biosecurity Operations Division

Mr Colin Hunter, First Assistant Secretary

Biosecurity Plant Division (including Australian Chief Plant Protection Officer)

Dr Chris Parker, First Assistant Secretary

Dr Gabrielle Vivian-Smith, Chief Plant Protection Officer, Australian Chief Plant Protection Office

Biosecurity Strategy and Reform Division

Ms Peta Lane, First Assistant Secretary

Ms Josephine Laduzko, Assistant Secretary, Biosecurity Response and Reform Branch

Compliance and Enforcement Division

Mr Peter Timson, First Assistant Secretary [by video link]

Corporate and Business Services Division

Mr Lionel Riley, First Assistant Secretary

Mr Troy Czabania, Assistant Secretary, Governance and Parliamentary Business Branch

Climate Adaptation and Resilience Division

Ms Maya Stuart-Fox, First Assistant Secretary

Digital Trade Initiatives Division

Mr Nick Woodruff, Head of Digital Trade Strategy and Initiatives Division

Drought and Farm Resilience Division

Ms Kerren Crosthwaite, First Assistant Secretary

Environmental Biosecurity Office

Shalan Scholfield, Principal Director

Environment Protection Division

Ms Kate Lynch, First Assistant Secretary

Mr Matthew Ryan, Assistant Secretary, Waste Policy and Planning Branch

Exports and Veterinary Services Division

Ms Nicola Hinder, First Assistant Secretary

Finance Division

Mr Paul Pak Poy, Chief Finance Officer

Information Services Division

Mr Mark Sawade, Chief Information Officer

Legal Division

Ms Alice Linacre, Chief Counsel

Ms Cassandra Ireland, General Counsel, Legislation Practice Branch

Mr Jadd Sanson-Fisher, General Counsel, Biosecurity, Exports and Compliance Legal Practice Branch

Ms Amy Nichol, General Counsel, Commercial, Information and Agriculture Legal Practice Branch

Ms Jane Temby, General Counsel, Environment, Employment and Litigation Legal Practice Branch

People Division

Ms Jasna Blackwell, Acting Chief People Officer

Plant and Live Animal Exports Division

Ms Tina Hutchison, Acting First Assistant Secretary

Portfolio Strategy Division

Mr Nick Blong, First Assistant Secretary

Trade, Market Access and International Division

Mr Chris Tinning, First Assistant Secretary

Trade Reform Division

Mr Matthew Koval, First Assistant Secretary

Water Division

Mr Matthew Dadswell, Acting First Assistant Secretary

Dr Marcus Finn, Assistant Secretary, Water/Basins Policy, Science and Indigenous

Portfolio Agencies**Australian Fisheries Management Authority**

Mr Wez Norris, Chief Executive Officer

Ms Anna Willock, Executive Manager, Fisheries Management Branch

Mr John Andersen, Chief Operating Officer, Corporate Services Branch

Ms Claire van der Geest, General Manager, Fisheries Information and Services Branch

Australian Pesticides and Veterinary Medicines Authority

Ms Lisa Croft, Chief Executive Officer [by video link]

Dr Jason Lutze, Deputy Chief Executive Officer [by video link]

Dr Sheila Logan, Executive Director [by video link]

Dr Rachel Chay, Acting Chief Operating Officer [by video link]

Australian Wool Innovation

Mr Jock Laurie, Chair [by video link]

Mr John Roberts, Acting Chief Executive Officer [by video link]

Dairy Australia

Mr James Mann, Chair [by video link]

Dr David Nation, Managing Director [by video link]

Mr Charlies McElhone, General Manager, Trade and Strategy [by video link]

Fisheries Research and Development Corporation

Mr John Williams, Chair [by video link]

Dr Patrick Hone, Managing Director

Grains Research and Development Corporation

Mr John Woods, Chair [by video link]

Ms Cathie Warburton, Interim Managing Director [by video link]

Horticulture Innovation Australia

Ms Julie Bird, Chair [by video link]

Mr Matt Brand, Chief Executive Officer [by video link]

Dr Alison Anderson, General Manager, Research and Development [by video link]

Dr Anthony Kachenko, General Manager, Stakeholder Experience [by video link]

Inspector-General of Biosecurity

Mr Rob Delane, Inspector-General of Biosecurity [by video link]

Meat and Livestock Australia

Mr Jason Strong, Managing Director [by video link]

Mr Alan Beckett, Chair [by video link]

Ms Lucy Broad, General Manager, Communications

Ms Jane Weatherley, Chief Executive Officer, Integrity Systems Company

Committee met at 09:04

CHAIR (Senator McDonald): I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2021-22 and related documents for the Agriculture, Water and the Environment portfolio, excluding the environment. All questions on the environment go to the department's appearance before the Environment and Communications Legislation Committee. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has before it a program listing agencies relating to matters for which senators have given notice. The proceedings today will begin with an examination of corporate matters within the Department of Agriculture, Water and the Environment.

The committee has fixed Friday 25 March 2022 as the date for the return of answers to questions taken on notice prior to Friday 25 February 2022. For questions received after that date, the date for the return of answers will be Friday 22 April 2022. Senators are encouraged to provide written questions on notice to the committee secretariat as soon as possible following the hearings.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the

Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate from 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated in *Hansard*:

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

An officer called to answer a question for the first time should state their full name and the capacity in which they appear. Witnesses should speak clearly and into the microphones to assist Hansard to record proceedings. I remind everybody present to switch off their mobile phones or render them inaudible. Senators, departments and agencies have been provided with advice on the arrangements in place to ensure the budget estimates 2021-22

hearings are conducted in a safe environment. This guidance is also available from the secretariat. The committee appreciates the cooperation of all attendees in adhering to these arrangements.

Department of Agriculture, Water and the Environment

[09:08]

CHAIR: I now welcome Senator the Hon. Bridget McKenzie, Minister for Regionalisation, Regional Communications and Regional Education; Mr Andrew Metcalfe AO, Secretary of the Department of Agriculture, Water and the Environment; and all the officers of the department. Minister McKenzie, do you or Mr Metcalfe have an opening statement that you wish to make?

Senator McKenzie: It is fantastic to be with you, Chair. I don't, but I think the secretary does have a statement on the great state of ag.

Mr Metcalfe: Thanks, Minister. Thank you, Chair and senators. It's good to be here. As we all know so well, the pandemic continues to be a dominating and evolving situation which is impacting not only our work but the way of living right across the country. I am incredibly proud of our staff across Australia, who have continued to work tirelessly to maintain our service delivery and operational responsibilities. Indeed, it is staff not only in Australia but right around the world. I also acknowledge the extreme challenges currently faced by communities in Western Australia, with bushfires and loss of homes and farming land and livelihoods. This, combined with severe flood events across wide parts of Australia, will take significant time to recover from. I pass along our thoughts to all those impacted.

ABARES has reported that Australia's agriculture, forestry and fisheries sectors are expected to set new records in 2021-22, reaching a record gross value of production of \$83.9 billion. Agriculture alone is expected to reach \$78.4 billion, up \$10 billion from 2021's record of \$67.2 billion. This is all on the back of strong seasonal conditions across the country, delivering a record winter crop of 58.4 million tonnes. Records were seen for wheat and canola. This is despite setbacks from floods, supply chain disruptions and threat from a resurgence of mice infestations. Two years of improved seasonal outlooks have seen livestock producers increase production from the lows of last year as herd and flock rebuilding is flowing through to increased production. Strong global prices driven in part by poor seasonal conditions in other major agricultural producers are delivering 30-year record prices across the basket of Australia's agricultural exports. High production and high prices will also combine to record agriculture, fisheries and forestry export returns expected to reach \$65.5 billion in 2021-22.

It's now two years since our department was formed in the wake of the devastating bushfires across much of our landscape at the time of the rapidly emerging COVID-19 virus across the world. My leadership team and I looked to David Thodey's review of the Australian Public Service to inform how we established and built our department. I also commissioned a future department review guided by three eminent former departmental secretaries. We took their recommendations to develop our future department blueprint, our plan for reform and to uplift our capability across key areas. In successive budget rounds and MYEFO decisions over the last two years, the department has received significant new resourcing to fund a wide range of programs to enhance Australia's agriculture, water, environment and heritage. We are thus a department with many core ongoing responsibilities but with many new and expanded programs to administer and deliver. As I mentioned earlier, despite COVID-19 challenges, there have been other achievements across the department over the last four months since we last appeared before this committee, many of which will be set out soon in an updated ag 2030 plan and, indeed, a range of MYEFO announcements across agriculture, biosecurity, exports, fisheries and forestry.

I would also like to mention that our chief legal counsel, Alice Linacre, who is sitting just behind me today, was acknowledged in the 2022 Australia Day Honours List, receiving a Public Service Medal. Alice was recognised for her significant contributions to the Agriculture, Water and the Environment portfolio, and the Commonwealth more broadly, through her exceptional legal counsel and stewardship across a range of complex, contested and highly publicised matters. This is worthy recognition of an outstanding public servant.

CHAIR: Congratulations.

Mr Metcalfe: Our department understands the importance of developing a cohesive approach to working with Indigenous Australians. Building on our stretch reconciliation action plan, we've now developed an Indigenous platform for shared benefits realisation that is designed to establish the foundations and accountability to deliver on our shared purpose, generate value and sustain benefits. It is vital that we embrace and embed Indigenous knowledge, perspectives and unrealised potential in everything that we do. The platform will also contribute to whole-of-government priorities. It will contribute to the four priority reforms of Closing the Gap through working in partnership, developing improved data and transforming the way that we work with Indigenous Australians. It will help advance a national road map for Indigenous skills, jobs and wealth creation, including by developing

policies with traditional owners and Indigenous Australians that unlock the potential of land, water and sea rights and interests throughout our agricultural production and natural resource management activities. This focus is also critical to enhancing the potential of northern Australia, where Indigenous rights and interests cover almost three-quarters of its landmass. The Indigenous platform and our future department blueprint initiatives will enable us to become even more capable as a department to deliver on our role as the Commonwealth's integrated natural living resources management and heritage department and portfolio to support the future of our farmers, our graziers, our fishers, our foresters and the many communities that they support. Thank you, Chair.

CHAIR: Thank you very much, Secretary. I join you in congratulating Alice Linacre. That is a terrific recognition of your work. I'm sure the whole department shares in your reflected glory. It's a team effort, isn't it. Congratulations. Senator Ciccone.

Senator CICCONE: Good morning, Mr Metcalfe and Minister. Mr Metcalfe, I want to run through a couple of issues that you raise in your opening statement. With COVID, how have you and your team and the department been able to manage, I guess, the number of staff working from home? Are you able to expand on some of those other points that you raise in your opening statement and provide a breakdown of the staff who work in Canberra, field officers and those at home?

Mr Metcalfe: For sure. I will make some initial comments. Our chief operating officer, Ms Briscoe, and colleagues might provide some detail. Like all organisations, we've obviously had to be incredibly flexible through the pandemic. Of course, we are a large, diverse and distributed organisation. We have a number of staff based overseas who have been subject to quite severe lockdown and restrictions. They are based in embassies and working from home but still doing fantastic work as our agricultural counsellors. They are helping improve trading opportunities for Australian agriculture.

We have many staff who can't work from home because their jobs require them to be in particular locations. I speak particularly of our biosecurity staff at ports and airports and across Northern Australia in approved premises and elsewhere who, right through the pandemic, have continued to deliver those critical services so important for supply chains and to get goods through in a biosecure way. Similarly, our staff who work in export establishments, such as our onsite vets and meat inspectors, haven't had a choice about where they work. They've continued to report for duty and continue to provide an excellent service. Our Antarctic staff, of course, have continued to provide services in their bases across Antarctica. We've taken extremely careful measures, of course, to keep COVID out of our bases down there. That has extended to the way that our staff in Tasmania and elsewhere have worked as well.

It's fair to say that the majority of our staff are office based. We've basically complied with local health jurisdictions across the various jurisdictions. In the ACT, that has meant that we've had a number of occasions where people have been asked to work from home where possible. In the early days of the pandemic, we had a significant period where people were being strongly encouraged to work from home unless there were extenuating circumstances or reasons why they couldn't. We then had quite a significant lockdown in the second half of last year. With the emergence of omicron, we've again asked our staff to stay home over the Christmas and New Year period. Currently, that arrangement is extended until the end of this month. We'll continue to keep that under review. At the same time, I think we've demonstrated that we can continue to deliver services, be they policy, legal, financial or technical services.

Finally, before Ms Briscoe provides some numbers around what I have been saying, I would really like to call out our technology support staff, who have effectively allowed us to stay connected, to interact virtually and to provide services online. Frankly, I think we're all a bit surprised that we were able to move 4,000 staff to working- from-home arrangements or working from away from their usual workplace as quickly as we did and yet keep delivering. That has only been because of great work from our chief information officer and the whole team of technology staff, who have supported that through that entire period. So I would like particularly to place my thanks on the record to them. In terms of some of the statistics and details and our plans, we're happy to go into more detail depending on where you want to take the questions.

Senator CICCONE: I'll see what response we get.

Ms Briscoe: The first area I think you are asking about is the number of people working from home. As part of a whole-of-government response, we prepare data for a survey that goes to the Public Service Commission and Minister Morton. Over the last two years, obviously that has varied during periods of lockdown and has varied from 15 per cent fully working from home right up to 70 per cent to 75 per cent. As the secretary said, there are some people who, due to their work or due to their personal circumstances, are unable to work from home, so we rarely have 100 per cent.

You asked about productivity, I think. Predominantly, there are two ways we get a sense of that. The first is that all the things we've needed to do have been done. We certainly haven't not been able to deliver during that period. The second is that we do survey staff regularly. We ask them about a range of factors, including engagement and productivity while they are working from home. Those survey responses have indicated to us that people do feel that they are actually productive, with some more productive, in that circumstance. I do believe overall we have been productive, whether we've been in or out of the office. I think the second thing you asked was about numbers. The numbers in Canberra are 3,992. There is a subset of our people in major cities, which is 6,041, and 1,136 are in regional and remote Australia. I am happy to dive into any more detail.

Senator CICCONE: Thank you, Ms Briscoe. How often do you do surveys of your staff?

Ms Briscoe: One of the things we do after a period of working from home is a survey. As we start to return people to the office, we do it in a graduated way. We do a survey to ensure that everything is in order. Those surveys are connected to another process which we go through, which is a health and wellbeing risk assessment. It tends to align with periods of working from home that we do those surveys for the purpose of COVID. But we survey for a lot of other reasons.

Mr Metcalfe: It would be remiss of me not to also mention the extraordinary service we've received from Ms Blackwell and our work health and safety team. Again, we're a department that faces significant work health and safety challenges, given our remote operations in the extreme situations of Antarctica and national parks and so on. The team have shown great care for their colleagues, have worked tirelessly and have ensured that people are well informed about arrangements and kept safe. If people are working in our premises, there are safe working arrangements and people are being supported. Of course, it's not just the virus but other elements of support that are required through this arrangement. Again, I would like to place on the record my thanks for that team as well.

Senator CICCONE: Thank you for that. Has the department had any plans or changed its way of how it deals with staff in offering much more flexibility in terms of their workplace arrangements, be it in the office or at home, as a result of the pandemic?

Ms Briscoe: Yes, we have. We introduced a range of new policies and tools and processes. We call it flexible working arrangements. They allow people to work in different ways. That was, I think, in mid last year on 1 July. We have a large number of people who now have those flexible arrangements in place on top of the temporary arrangements we put in place when we are asking people to work from home, if they can, during a period of lockdown.

Senator CICCONE: What organisational changes have occurred within the department to facilitate Australian agricultural exports in how we've gone about trying to find alternative markets? I don't know if that is an area that we can touch on here early on.

Mr Metcalfe: Certainly Mr Hazlehurst, who is the deputy secretary for exports, and his colleagues are in the building. We could get them to come and join us. I mentioned earlier that, as you know, we have a network of agricultural counsellors based in a number of key markets. Their role is to help promote and expand our market access. That has continued through this period. It is also to maintain it. As you are aware, there are many technical and other considerations associated with the requirements of other countries to allow us to export goods to them. There are phytosanitary and various other requirements. Our counsellors are very much involved with that.

In addition, recently the government announced the appointment of Ms Su McCluskey as an agricultural representative, to be a person who could engage with some of the key standard-setting bodies that are so important in terms of overall agricultural trade. If you want to go into that area, I could certainly ask those colleagues to come forward.

Senator CICCONE: I am more interested in the organisational changes. Maybe later in the course of the day we can delve into that. Have you taken the opportunity to either restructure or make changes within the department?

Mr Metcalfe: Mr Tinning can help. I recall fairly early on in my time in the department, which is now a couple of years, that we did have a review of our overseas posting arrangements and made some adjustments in terms of where people were located wherever within the overall limits. Of course, over recent years, the government has provided additional resources for an expansion in those numbers. Mr Tinning can probably provide some more detail.

Mr Tinning: We have done a range of things to boost our international presence over the COVID period. We've deployed an additional three counsellors as part of a surge effort under the agribusiness expansion initiative. Those counsellors have been in Korea, the US and Saudi Arabia. They've really helped to work with

our exporters to establish the new markets needed to continue to expand our effort in the COVID environment and including in the context of trade disruptions with China.

Senator CICCONE: When did they go to those countries?

Mr Tinning: They've all been out for around six months.

Senator CICCONE: Are there any other countries that we are going to go to try to expand our export market?

Mr Tinning: We're looking at sending a series of additional counsellors over the next couple of months. They are likely to go to Bangkok, Hanoi and potentially London.

Senator CICCONE: That's good. What are the lessons that we've learned over the last 18 months and that you've taken away from what other countries are doing with their export markets? What can we do better? I know the government has a target, I think, of \$100 billion to get AG2. Are we looking at exceeding that target well before 2030?

Mr Metcalfe: We always regard it as a target that was established by the industry. It is the National Farmers Federation that set the ambition of \$100 billion. I described in my opening statement a combination of two great seasons for many primary producers, not all, together with some record prices. We've actually accelerated the growth towards \$100 billion very rapidly over the last couple of years. Our colleagues from ABARES, who are here and are happy to talk with you, probably are saying that we do expect that, as we return to more normal or drier conditions, the numbers will change.

You are well aware, Senator, that Australia effectively feeds itself and that everything else we export. So our growth towards \$100 billion requires vibrant export markets. We, of course, are a competitor. We are a small producer globally, but we are a big producer in some commodities—beef, in particular, and sugar, wheat and a number of other commodities. So our competitive stance, our ability to access markets and something we've discussed here before—actions taken by our largest export market—have all meant that there has been a very strong focus on supporting exports through the agribusiness expansion initiative and through the additional counsellor positions et cetera. So we'll continue to work to advance the interests of Australian agriculture and to allow our exporters to get access to markets. Probably the latest and best example of that is the Australia-UK Free Trade Agreement. But, if there are specific questions you have, again, Mr Tinning, I'm sure, will be able to answer them.

Senator CICCONE: I know that AgriFutures released some research by Deakin University. It outlined the vulnerabilities of local produce such as beef and wine and other commodities. Many have called for a much better coordinated approach in terms of how we deal with the supply chain issues as well as global exports. Are you aware of the report? Have you been able to work on a much more coordinated approach to how we deal with our exports overseas?

Mr Tinning: Under the agribusiness expansion initiative, it's very much a joined-up approach across the government. We are working closely with the states and territories and with industry. It is an initiative that is jointly implemented by Austrade and our department. We work very closely with DFAT both in Canberra and overseas. The grants component of the agribusiness expansion initiative involves grants to peak bodies. That has very much promoted a whole 'team Australia' approach to establishing new markets and building existing markets. I think we are probably more joined up than we ever have been in pushing for export growth across the board.

Senator CICCONE: I think the report also deals with fraud and people trying to pretend that they've got Australian products when they are not. Obviously, it damages our reputation. I don't know if that is an area that you can touch on now or later. I am intrigued as to whether that issue is also being addressed within the department.

Mr Tinning: Yes. There is a new initiative around traceability that I'm sure we can talk to later in the day that goes to that very issue—making sure that there is proof of provenance of Australian products overseas to make sure we're getting the premium on them we deserve.

Senator CICCONE: Mr Metcalfe, I'm not sure if you're able to provide a bit of an update on what the department has been doing in terms of the mouse plague. Do you want to do that later? Do you want to give us a bit of an update on what the department's role has been on that front now or later?

Mr Metcalfe: Certainly I can ask my colleague Andrew Tongue, the head of biosecurity, to join us, or we could deal with it later. We're in your hands, really, Senator.

Senator CICCONE: I also have something on urea and AdBlue.

Mr Metcalfe: Again, supply chain issues and urea and AdBlue is Ms Deininger. Again, we've got these people here, so I'm in your hands.

Senator CICCONE: Later. Okay, let's do that. I note the last ag ministers forum was back in November. I believe it was on 1 November. Do you know when the next meeting will be?

Mr Metcalfe: The issue of whether there is a next meeting is a matter currently under consideration. You will recall that, following the review by Mr Peter Conran of Commonwealth-state relations and, particularly, ministerial arrangements, there were quite a number of changes made largely because of the advent of national cabinet and a strong desire from first ministers across all jurisdictions to ensure that if there were meetings occurring between ministers, they were productive, fruitful and didn't simply get a life of their own. One of the forums that was basically agreed for a 12-month extension or life was the ag ministers forum. That pretty well took us through last year. There were three or four areas of particular focus for the ag ministers to work upon. The issue as to whether it meets further is now the subject of consultations between the agriculture minister and his state and territory counterparts. Ultimately, it will require Minister Littleproud to write to the Prime Minister asking whether or not there is a strong need for a continuing meeting.

The minister has asked each of his state and territory counterparts to consult with their first minister. Effectively, he can report to the Prime Minister as to whether there is strong support for the meeting to continue or whether there's no longer any particular support for it. Notwithstanding that—I will ask Ms Deininger to fill in any gaps in what I've just said—I continue to meet very regularly with state and territory counterparts, with the heads of departments of primary industry and their equivalent. Indeed, through the pandemic, particularly when we've had major shutdowns or disruptions, we've been meeting fortnightly to ensure that we're exchanging information on issues such as supply chains and cross-border travel and those sorts of issues. When things haven't been as intense, we normally have a monthly meeting and work through a series of issues. So there is a strong connection between the Commonwealth and the states in relation to these issues. On the specific issue of the last meeting and its date, I'll hand back to Ms Deininger.

Ms Deininger: I can confirm that the last meeting was on 1 November 2021.

Senator CICCONE: I don't want to take up your time. We can talk about this a bit later. There is another one I want to touch on very briefly. There have been a lot of discussions around quarantine arrangements for workers both within Australia and obviously from overseas. Have there been any ongoing discussions between you as a department secretary with other department secretaries in state and territory governments?

Mr Metcalfe: Absolutely. Again, the role of agriculture secretaries or DPI secretaries in relation to that has largely been how we work and interact with the key departments and agencies that are responsible for those matters. We have a very clear interest in the availability of the workforce and the ability of people to move around Australia. So the Agriculture Workers' Code was developed by us but obviously with very close consultation with the departments of health in each jurisdiction. As far as seasonal workers or Pacific islander workers coming in, again, we've had a very strong coordinating role, acknowledging that the actual work that needs to be done sits with the Department of Home Affairs, the department of foreign affairs, the department of employment and whatever. Again, it's probably the topic that we've spent most time on, I think, over the last two years.

Senator CICCONE: What is the main role for your department in terms of that issue?

Mr Metcalfe: It's very much a leadership and coordination role and an overall policy role. Many of the actual decisions about who can be in what jurisdiction in what circumstances, whether they are from interstate or from overseas, sits with the state health authorities, as we obviously know. That is just a subset of the broader conditions. Cross border movement issues were a particular focus, which led up to the work that we did on the Agriculture Workers' Code. Of course, the accessibility into Australia of workers under those Pacific islander and seasonal worker programs has been a clear focus. As I've said, largely, we don't have our hands on the leaders as such but we influence and communicate and lead the national effort and work with other departments. Indeed, there's a specialised working group that sits underneath the ag secretaries meeting that works on this pretty well constantly.

Senator CICCONE: So the short answer is no meeting planned between ministers at this stage?

Mr Metcalfe: Yes.

Senator CICCONE: I want to ask a couple of questions on the FOI processes. I think I asked it at the last round of estimates. I'm seeking a bit of an update. How many were received over the last year? Do you have the numbers rejected and the numbers processed?

Ms Linacre: We have currently got 21 FOI applications afoot. Over the last year, 2020-21, we have received 248 applications.

Senator CICCONE: And how many were rejected?

Ms Linacre: Rejected?

Senator CICCONE: Declined or not processed.

Ms Linacre: We don't reject FOI applications. We work with FOI applicants to determine what information they are seeking. On occasion, they withdraw their applications.

Senator CICCONE: How many were withdrawn?

Ms Linacre: Over the last 12 months, I believe 43, Senator.

Senator CICCONE: They may not be rejected in a strict sense—I'm sure there's some other terminology there—but if someone puts a request in and you say, 'We'll not provide you with that information', how do you classify that? Is that not a rejection?

Ms Linacre: We don't reject FOI requests. What happens is that an applicant requests a certain type of information. We then communicate with the applicant. If we can provide that information, we do, potentially with exemptions.

Senator CICCONE: And if you don't provide that information, what happens?

Ms Linacre: There are a couple of bases upon which we don't provide that information. That would be where we process the FOI request but we determine that all of the information is exempt or we provide a decision that the request is too broad or can't be processed.

Senator CICCONE: So how many fall under those two categories, then—the too broad category and the exempt category?

Mr Metcalfe: How many times do people not get what they ask for?

Senator CICCONE: Exactly. I'm glad you and I are on the same page.

Ms Linacre: I will break it down into three periods. From 1 July 2021 to 30 September 2021—these are quarters because it is the way we report the information to the Office of the Australian Information Commissioner—we refused three. We processed the application but determined that none of the information could be provided. Twenty-three were withdrawn. From 1 October 2021 to 31 December 2021, we refused three and two were withdrawn. From 1 January 2022 to 4 February 2022, we refused three again and five were withdrawn.

Senator CICCONE: When you refuse, is there a threshold of hours? Do you say, 'If we get to a certain amount of hours in the department, we're just going to refuse to process that?'

Ms Linacre: We take a number of things into account. We take the request on its face. If somebody requests a certain type of information, then it may be that information is very vast, that there is no ability to do reasonable searches to determine what sort of information they are seeking. We might go back to the applicant, as required under the FOI act, and work with them to determine if a narrower source of information or more clarity can be provided. We generally operate within the 40-hour limit. If the work we decide would be more than 40 hours—they are guidelines that the Information Commissioner has in place—then we determine that those generally are too large to process.

Senator CICCONE: Is that 40 hours what you have set as a department or is it consistent with other departments?

Ms Linacre: It's reasonably consistent because it's based on Information Commissioner guidelines. Obviously, each FOI request is dealt with on its merits. We work hard to try to process those requests to get information to applicants. But there may be a number of factors that play into whether or not that FOI request can be accommodated.

Senator CICCONE: What are the main reasons for rejecting?

Ms Linacre: That the request is so—

Senator CICCONE: Are you able to provide a breakdown of some of the main rejection reasons?

Ms Linacre: I don't have a breakdown here, Senator. I can tell you that the majority of those requests withdrawn will attach to where charges have been issued and the applicant determines that they don't wish to proceed with the request. They may choose to make another request that attracts a smaller charge. There may be circumstances where the request is too large or information can't readily be identified from the scope of the request. We go back to the applicant and ask the applicant to reconsider or to rescope their request. Most of those

occasions would be instances where the applicant has not just not responded to that response from us. Therefore, the application is deemed to be withdrawn.

Senator CICCONE: Okay. What is the average time for you to process an FOI?

Ms Linacre: We have 100 per cent compliance with the statutory time frames. In terms of the average time, I'm not sure. The statutory time frame is 30 days, but obviously there are extensions available for third-party consultations or for consultations in respect of commercial information. I can get you that on notice as to an average, but that would only ever extend by 30 days. On occasion, we seek to extend the time frame by consent with the applicant as well. So I don't have an average, but they are all processed within the statutory time frames.

Senator CICCONE: I might hand over to Senator McCarthy.

CHAIR: I have a few questions too, Senator McCarthy. Would you mind if I ask them?

Senator McCARTHY: Go for it, Chair.

CHAIR: Just to mix it up.

Senator McCARTHY: We're very collegial at this table, aren't we?

Senator CICCONE: We are.

CHAIR: Terrific. Mr Metcalfe, I want to ask you about the split between regional and urban based staff. Do you have somebody who can answer that easily?

Mr Metcalfe: Yes. Ms Briscoe can. In very broad terms, we're headquartered here in Canberra. As you know, Chair, the department was formed just over two years ago by bringing together the department of agriculture and water and parts of the former department of environment and energy. We have a very large regional footprint as well. Every export meat establishment in Australia, of which there are about 80, has our staff there spread right across the country. The Commonwealth jointly manages national parks with traditional owners at Kakadu, Uluru-Kata Tjuta and Booderee. National parks in our external territories have our staff—Norfolk, Christmas and Cocos et cetera. We have a large number of staff on our three Antarctic bases and our one sub-Antarctic base at Macquarie Island. We have a large footprint in Hobart or in Kingston, Tasmania, where Antarctic Division is located. We, of course, have biosecurity staff spread around our international airports and ports as well as right across Northern Australia. So we are a big operational organisation but with the policy and other support staff largely headquartered in Canberra.

There is a final point I will make before I ask for some detail. Over the last couple of years in particular, we've seen a very tight labour market here in Canberra. We have increasingly been looking to source skills and work to be done from places outside Canberra. For example, we have a very large technology uplift happening in our agricultural exports area. The people with the skills are largely in major capital cities, such as Sydney. That is where we tend to employ them and bring them in. We effectively don't care too much about where people are any more. We just want the right people with the right skills. That has been demonstrated through our ability to work virtually and deliver results. Many of my colleagues will talk about some of their teams being located anywhere across Australia and contributing to work that is being done and centred here in Canberra. I will get Ms Briscoe to give you some actual numbers.

Ms Briscoe: On 30 November 2021, we had staff in 191 locations. So 53.7 per cent of them are in Canberra; 27.6 per cent are in major cities outside Canberra; and a bit over 15 per cent are spread across 121 regional and remote locations. That equates to around 1,138 staff in regional and remote Australia and another 231 in external territories and 22 overseas.

Mr Metcalfe: I will give another example to complete the record. The Commonwealth Environmental Water Holder, of course, is part of our department and has staff located in the basin. Of course, the Inspector-General of Water Compliance, who is supported by departmental staff, also has staff across a range of locations. I think the last two years have shown that there are great people everywhere across Australia. We want to tap into them. Increasingly, our jobs are not location specific. We're after the right people. We'll then work out how we can get to work together.

CHAIR: We had an inquiry last year into the government's response to the drought. One thing that the Commonwealth Public Service Union was talking about was how we go about allowing jobs pinned remotely during COVID to continue. If I come to you and ask for a job but I would like to be based somewhere a long way away, how do we maintain the flexibility in achieving that?

Mr Metcalfe: We were probably heading in that direction anyway, but COVID and our response to working with COVID has demonstrated that it is real. I mentioned before that the technology support is so important and connectivity and whatever. For example, the Agriculture Workers' Code was a major piece of work we did

between the Commonwealth and states. When I rang one of the key staff who worked on it to thank her for the work she had done, she told me that she was actually working on her parents' farm outside Tenterfield because of particular family circumstances. Ms Briscoe earlier mentioned our flexible working arrangements. I think that we can probably do more. One initiative we are currently undertaking is we are looking to bring together and develop greater expertise and capability in our training of biosecurity officers. We very much want that to be located with a higher education institution in regional Australia. There is a request for quotation out that closes in a week or so. I certainly hope that one of the major regional universities, or a number of them, actually, seek to host this biosecurity training college, where we would send staff, whether they come from Sydney, Melbourne, Townsville, Port Hedland or whatever, for that particular training and whatever. That would start building a centre of capability as well. Finally, I should point out that in the broader portfolio, of course, we have a number of portfolio agencies that are regionally based, be it the RIC in Orange, the APVMA in Armidale or the Great Barrier Reef Marine Park Authority in Townsville. The list goes on.

CHAIR: It is terrific. I think it changes your culture. That focus on regionalisation is something I passionately believe in. Of course, it always reminds you that 51 per cent of the nation is in Northern Australia and would welcome anybody from the department with open arms. The more of you that you bring north, the better. The final part is that bit that Senator Ciccone has really talked about. It is that change of management style where you can identify and assess what people are doing remotely. It is about a successful relationship where everybody is clear on what the task is and everybody is not at home in their slippers doing the washing. When I ran a business, employers really struggled to trust when not being able to see somebody doing a task. I really congratulate you.

Mr Metcalfe: We're not alone. As you know, I grew up in regional Australia, as did many of my colleagues. Obviously, the nation's capital is here in Canberra. The great departments of state were brought here over the decades. So much of our work is connected with this place and with other agencies. Increasingly, we are finding that we can deliver great results and use that. A lot of that is because the way we work is changing as well. I think there is a lot more team based work. Connectivity means that it doesn't really matter where you are sitting. You can be sitting in this building or in a place on the other side of the world and you can be contributing in that team based style of work.

Again, what it does mean, though, is that we have an increasing proportion of our staff who are living in some of the communities where we provide services. As the Commonwealth department that provides services to our agricultural industries and our environment right across the country, I think it is very important that we are connected and we understand what is going on. This is a work in progress. I think that people have described COVID as a great accelerator. Notwithstanding all of the issues, problems and tragedies that it has brought, it has actually meant that we think about how we do work differently. It has meant that we are working in different ways that will probably stand us in good stead for the future.

CHAIR: Thank you. Senator McCarthy, over to you.

Senator McCARTHY: Thank you, Chair. Good morning, Mr Metcalfe and staff.

Mr Metcalfe: Good morning, Senator.

CHAIR: I would like to follow up on your reconciliation action plan that you spoke about at the last estimates and see how it is progressing. Are you able to give us an update? I was listening to the staffing figures. I think it was announced by Ms Linacre. Was it you?

Mr Metcalfe: It might have been Ms Briscoe or one of her colleagues.

Senator McCARTHY: Ms Linacre, congratulations to you on your award on Australia Day. You said 1,138 staff in remote and regional Australia. What percentage would be First Nations people?

Mr Metcalfe: While we're coming up with that number, as you know, we employ a significant number of Indigenous Australians in our national parks—Kakadu and Uluru-Kata Tjuta in the Territory and Booderee in the Jervis Bay territory. That will account for a significant number of our park service. We had a hearing last night with the environment committee, and the director of national parks talked about that. Having said that, we are committed to ensuring that not only do we employ people but we provide careers and that we are looking at how we can ensure that staff are able to advance to more senior roles with appropriate training, support and experience. We also either directly employ or employ through other arrangements a very significant number of Indigenous Australians in our biosecurity programs in Northern Australia. We have connections with many Indigenous ranger groups that provide a fantastic service of looking out for country. They bring a deep knowledge and understanding of country, given that we're looking for unusual things—exotic pests and diseases. We can certainly talk about that as well.

Senator McCARTHY: Would you be looking for more employees in that area of biosecurity?

Mr Metcalfe: I'm always looking for more.

Senator McCARTHY: Especially those northern parts of the country, which are so vast.

Mr Metcalfe: Northern Australia is very important from a biosecurity perspective, as you very well know, because it can be the conduit for diseases that might be present to our north and are moving south. So there is a lot of work done with sentinel herds and the testing of feral animals and others, be it fruit flies, feral pigs or whatever. My biosecurity colleagues can talk about that Northern Australia quarantine strategy, which is well over two or three decades old now. It is very important. I'm not sure if you heard my opening statement.

Senator McCARTHY: I've just read it, Mr Metcalfe.

Mr Metcalfe: Something that we were very keen to do was to not only take our stretch reconciliation action plan but hard wire into our future department review how we work, how we employ, how we engage with and how we consult with Indigenous Australians across a whole range of programs, both agricultural and environmental. I'm absolutely delighted that we've had on secondment a very senior officer from the National Indigenous Australians Agency who is based in Townsville. She has developed, with the input support of many people, our Indigenous benefits realisation program, which has really looked right across the department at what we can do.

A major feature of that is Northern Australia, particularly unlocking the potential, given that so much of Northern Australia is native title or lands controlled or with interests from traditional owners and Indigenous Australians. She importantly has made some great links with the National Farmers' Federation, who also have an interest in this space. I can see some really interesting and positive work emerging over the next few years in that space. I would like to thank my colleague Anne-Marie very much for the work that she has been leading with us. We can talk more about that if you would like.

Senator McCARTHY: Sure.

Mr Metcalfe: But you did ask us about numbers, so we'll come back to that.

Senator McCARTHY: Ms Briscoe.

Ms Briscoe: As at 30 November 2021, our head count of Indigenous employees was 325. That included three senior executive officers and 42 other executive level officers and then 280 APS staff. You asked about the RAP. There is a range of deliverables over the last six months in that space. We can go into anything you might want to know about the RAP.

Senator McCARTHY: That's okay. I keep an eye on how you are going with a lot of your areas. It is something that I certainly find in Northern Australia. We've got our ranger groups who work very much in the areas of the feral animals and caring for country. Another side to this is the high lack of employment for people. That is why I am interested to know whether you are always looking for more people. There are so many different kinds of government programs that just don't seem to be hitting the mark. This is one area that I think could actually do a lot of good, if we're able to work with some of those areas of unemployment on caring for country.

Mr Metcalfe: Yes. We would be happy to talk further, perhaps when we get to the biosecurity item—

Senator McCARTHY: Yes, absolutely.

Mr Metcalfe: about what we're actually doing in a quite specific sense of either direct employment, and particularly how we work with the Indigenous ranger groups both in land country and sea country.

Senator McCARTHY: No worries. I'll certainly drill down more into those areas once we get there. Thank you.

CHAIR: I think that brings us to the end of the corporate section. Those department officials go with our thanks.

[09:58]

CHAIR: Let's bring forward outcome 3 and all of those people.

Mr Metcalfe: Chair, as you know, we have staff in a waiting room next door. With indulgence, if there were any indication from senators as to where questions might be coming, we'll make sure that the right people are available in the room so we can keep the program moving along.

CHAIR: Are you ready to start, Mr Metcalfe?

Mr Metcalfe: We have the very senior people here. Others can join us if need be.

CHAIR: Why don't you start, Senator Ciccone.

Senator CICCONE: I think quite a few will be around that labour shortage, if that helps. Since that Ernst & Young report commissioned by Hort Innovation back in 2020, I think there have been some updates to that report. Are you able to provide the committee with an update of where the labour workforce issues are at the moment? I am not sure if I heard it correctly. It wasn't mentioned in the secretary's opening statement. I am interested to see if there is any update from the department in terms of the labour workforce issues.

Ms Deininger: I think it is fair to say that we remain very active in relation to workforce matters and supporting industry. We have continued to see very strong growth in the Pacific Australia Labour Mobility program. We have had over 16,000 people come to Australia through that program since it reopened in September 2020. Now there are about 20,500 people in Australia through that scheme.

Senator CICCONE: How many?

Ms Deininger: It is 20,500. It is a combination of people who were already here in the program at the beginning of COVID and then people who have come again since COVID. I think it has been really important to support people not only through the COVID situation but also more recently as the Omicron variant has had more significant impacts on the supply chain, which I mentioned earlier. There has been a very significant focus on continuing to build those programs and our engagement with those nations in the Pacific. In tandem with that, the government has continued to invest in trying to encourage domestic workers and other visa holders to work in agriculture. There are initiatives such as the AgMove program, which is designed to help people with accommodation and removal costs in relation to extending the work rights of visa holders who are already here. It is then possible for those workers to work more in ag and to work between employers and move between the different regions.

Senator CICCONE: How has the AgMove program or initiative been received? How many people have taken it up?

Ms Stanion: There are currently more than 7,000 AgMove agreements in place. It is 7,146.

Senator CICCONE: Can you provide a breakdown by state? Which states are those recipients from?

Ms Stanion: I'd need to take that on notice. I don't have that level of detail.

Senator CICCONE: Have you got an indication of how many people on a visa are currently working in some of these programs designed to address the labour force issues? Considering that our borders have been closed for some time, do you have a sense of how many people are around the country?

Ms Deininger: I'm sorry, but I am having trouble hearing your question. Is your question how many people are in Australia working in agriculture?

Senator CICCONE: In terms of the workforce gap, you mentioned about 20,000 that are here or currently on the ground.

Ms Deininger: That's right.

Senator CICCONE: Is it still the case that there is that 25,000 gap? Is that still your estimate?

Ms Deininger: We haven't seen any updated data from Hort Innovation. ABARES, which did some survey work around mid-2021, will shortly be going out to survey again. I think really what we're seeing is that there are differences from year to year. I think we talked about this last time. What we are seeing is that not only are businesses using the Pacific schemes rather than, say, backpackers; they are also adapting their on-farm practices to use labour differently or to be more efficient. Those things are all impacting on the demand for labour. We are continuing with our demand driven programs. We engage a lot with industry. We make sure that if people need labour that they can access those programs once they've gone through the various checks and balances.

Senator CICCONE: And how many are here on those demand driven programs?

Ms Deininger: The Pacific and Labour Mobility program is a demand driven program. You can only bring a worker here if you have market tested those particular jobs. That is the 20,500.

Senator CICCONE: Alright. We don't know. From your understanding, are there any individuals on the ag visa that are currently in Australia?

Ms Deininger: With regard to the agriculture visa, the Australian government is still negotiating with potential partner countries. Some of the infrastructure is already there. Some Migration Act regulations needed to be made. That has been put in place. We've been engaging with industry and businesses to set up the arrangements so employers can become involved in that program once it starts. But the negotiations with potential partner countries are still ongoing.

Senator CICCONE: So has the program not started?

Ms Deininger: Well, it hasn't started in terms of people having arrived. But it has started in terms of having the legislative infrastructure and the administrative infrastructure, if you like, beginning to be put in place.

Senator CICCONE: What is the other component? Is it having bilateral agreements?

Ms Deininger: That's right. The government has announced that you will negotiate bilateral agreements with different countries. Obviously, we need to work through those arrangements like we might with a free trade or other agreement. Those things are in place. We want to make sure that once those agreements are in place, we are ready to start mobilising people from those countries.

Senator CICCONE: So until there are bilateral agreements in place, the ag visa does not exist or there is no practical effect?

Mr Metcalfe: It exists.

Senator CICCONE: In name only.

Mr Metcalfe: We're waiting for people to be able to take up those visa places. We're ready to go, but we're waiting for the department of foreign affairs to finalise some of those discussions.

Senator CICCONE: When do you expect those discussions to be finalised?

Mr Metcalfe: I think they are ongoing. I don't think it's helpful to speculate as to exactly when. We're obviously talking with a number of countries, and there are very positive discussions underway.

Senator CICCONE: What do you say to the farmers who are listening today thinking, 'When are we going to get people on this ag visa?'

Mr Metcalfe: As soon as we possibly can, I think. I think it's true to say that we obviously need to work with the key countries where people may come from. They obviously need to be satisfied about arrangements. There is a very positive disposition to make this work, so we're looking forward to the ag visa really being the significant game changer in relation to the agricultural workforce issues that have been described. But we're ready to go. We're just waiting for the final arrangements to be made.

Ms Deininger: In a practical sense, Senator Ciccone, we are continuing to work with employers to access the schemes that exist. Clearly, we have a number of flights still to come in over February and March, which is our peak season. From a practical point of view, we have a program that is very effective. We have around 50,000 to 55,000 work ready people in the Pacific who are keen to come to Australia and have been pre-vetted and had health checks and other screenings. I guess I would emphasise that the agriculture visa is not the only entry point, if you like, for workers to come to Australia to work in agriculture or abattoirs. There is a very significant program in the Pacific Australia Labour Mobility program.

Senator McCARTHY: And how many employers are actually ready for this large workforce to come?

Ms Deininger: How many employers are in the Pacific scheme?

Senator McCARTHY: You said that you have employers ready for when these workers come. How many?

Ms Deininger: At the moment, we're consulting with employers on the different arrangements that will be in place. There are various groups we are consulting with, including representative bodies. It includes the horticulture sector with agriculture. That will then set up the administrative arrangement. You might be a farm or an abattoir that needs labour now. We are encouraging them to go into the Pacific scheme because that is the scheme where you can immediately seek labour rather than waiting for the bilateral negotiations to conclude. I'm happy to take on notice how many employers. Because DFAT runs the Pacific Australia Labour Mobility program, I don't have the number—I don't know if Ms Stanion does—of employers who have utilised that program, but I'm happy to take that on notice.

Senator CICCONE: You mentioned earlier doing a survey to try to get an update in terms of the worker shortage. Is that something that the department will conduct, or is this another Hort Innovation Ernst & Young report?

Ms Deininger: No. That is work undertaken by ABARES, which is a division in our department.

Senator CICCONE: How often are they expected to get those updated numbers?

Mr Metcalfe: We've got the head of ABARES here.

Senator CICCONE: Yes. I can see.

Mr Metcalfe: I can ask Dr Greenville to come and join us. I think since our last appearance, Dr Greenville has now been permanently promoted into the role as the head of ABARES. He had been acting previously.

Senator CICCONE: Congratulations.

Dr Greenville: Thank you very much. We conduct these surveys annually. The last survey we did got a picture of what happened in 2020-21. We will be looking to finalise the survey for 2021-22 once the year is out. Part of the survey design is to get that profile of labour use over the entire year month by month, which is quite important because there's significant variability. We know that there is a low in terms of labour use over the winter months. It reaches a peak in December and then stays high throughout the summer months and into autumn.

Senator CICCONE: Are you able to provide an update on the workforce issue, aside from what we've heard just earlier, in terms of the numbers and the gaps that farmers are experiencing?

Dr Greenville: I can provide some details on what we've found. Keep in mind that it is 2020-21, so it's before a number of the arrangements which Ms Deininger has described have really come into place and those additional supplements to the workforce that have occurred. When we looked at the data and compared 2019-20 to 2020-21, we found about 11,000 fewer workers employed in horticulture between those two years. There are a couple of things to keep in mind with that. As Ms Deininger noted, producers implemented a number of on-farm labour saving devices and so forth. They changed their in-shed and picking operations. We also had a very good season. So 2019-20, as we know, wasn't the best season. Then we moved into a good season in the previous year and another good season this year. This meant that some of the operations and the efficiency of picking was improved. What we did see was a big increase in the number of farms that reported difficulty in sourcing labour. Around 50 per cent of all firms reported greater difficulty in sourcing labour between those two seasons.

Senator CICCONE: What was the main reason they gave you?

Dr Greenville: Just the lack of availability of workers.

Senator CICCONE: Domestic workers?

Dr Greenville: There was some improvement in domestic workers. Producers effectively don't differentiate, where they can, between the domestic and international workers. They are after workers to come and pick their fruit, so they'll take labour where they can get it.

Ms Deininger: You might recall, Senator Ciccone, that during that period there was also a period of internal border closures between the states and territories and lockdowns and that kind of thing. That actually impeded the movement of workers, be they Australian citizens or workers coming from overseas. That also means it's hard or harder than in normal circumstances—prepandemic circumstances—to get the labour you need when you need it.

CHAIR: Like contract harvesters and people who—

Ms Deininger: The fruit pickers and shearers.

Mr Metcalfe: Shearers has been a really big one.

Senator CICCONE: Do you have a sense of how many workers are on Australian farms under these Pacific schemes? I know there has been a bit of a restructure by the Department of Foreign Affairs and Trade.

Senator McKenzie: That would be a question for DFAT, surely.

Senator CICCONE: Have you got a sense of how many people come under those programs?

Ms Deininger: There are around 20,500 workers in Australia under the Pacific Australia Labour Mobility program.

CHAIR: Senator Ciccone, just on that: I was really distressed to read just as recently as 3 February on the AWU website that the AWU national secretary, Daniel Walton, told a Senate committee that his union will not buy to demands from the federal government to cease speaking to ambassadors in the community about the dangers of the new ag visa and the culture of exploitation that exists within the farming industry. It gets better. He says:

Unfortunately, exploitation is now a core part of many farmers' business model.

I cannot believe that the AWU is continuing to peddle this absolutely appalling attack on Australian farmers—stating that they are exploiting people—particularly at this point when they are on their knees. I just think it's extraordinary. It shows the lack of connection that the AWU and Labor have to agriculture.

Senator McCARTHY: Is that a question, Senator?

CHAIR: This fellow, who I suspect has probably never been into regional Australia, is talking about many farmers' business models.

Senator CICCONE: I think you will find he has been.

Senator McCARTHY: Why don't we call the AWU before us, Chair? Then you might be able to ask those questions directly and let them respond fairly.

CHAIR: Certainly not in an agricultural department hearing, where we are trying to support Australian farmers, not attack a few bad apples.

Senator McCARTHY: We did the modern slavery report. That showed all the concerns around the subject.

CHAIR: Minister, what would you say about it?

Senator McKenzie: The AWU trash talking Australian farmers and talking about a culture of exploitation on farms? How outrageous!

Senator CICCONE: I think the government is embarrassed. The government is embarrassed.

Senator McKenzie: There is a reason that Albo didn't talk about the regions in his National Press Club speech. Do you know why?

Senator CICCONE: There's not one deal with unions. Not one deal, and you are embarrassed by that.

Senator McKenzie: Do you know? You are from Victoria. You know it was outside the heavy urban fringe. You don't care about it.

Senator CICCONE: It cannot deliver to the farmers. It cannot deliver to all farmers.

Senator McKenzie: You're very happy for us to grow your food.

Senator CICCONE: For four years you've flipped and flopped and you have promised nothing for farmers.

Senator McKenzie: Unpronounced national accounts in our mines and our agriculture.

Senator CICCONE: Not one deal.

CHAIR: Order!

Senator McKenzie: You don't give a stuff.

Senator FARUQI: We are in Senate estimates and this is turning into a screaming match.

Senator McKenzie: Well, sorry, Senator. I will not sit here—

Senator FARUQI: Minister, he will ask a question.

Senator McKenzie: Excuse me. I hadn't finished.

Senator FARRELL: You were asked a question.

Senator McKenzie: I will not sit here and have the Australian Labor Party, the AWU and all of their trade union mates trash talking the good farmers of this nation.

Senator FARUQI: Minister, there has been a Senate report which clearly states that there is exploitation going on—

Senator CICCONE: Correct.

Senator FARUQI: in agriculture of these workers. It is despicable. It is worker after worker and people are—

Senator McKenzie: Of course it is. But to say it is an endemic culture across agriculture is absolutely incorrect, and you know it. You know it.

CHAIR: I think we'll leave this discussion here. I can tell you, as somebody from an agricultural region, how offensive this discussion is from Labor and the unions. I am not denying that there are examples of exploitation. I think it is horrible to say it is broadly across the industry.

Senator CICCONE: Chair, I think we haven't said anything offensive today other than the remarks you've just made. I don't even know that there was a question that you actually put.

CHAIR: I did. I asked why the AWU would be encouraging the foreign minister to stop discussions with ambassadors.

Senator CICCONE: How is that relevant to the department?

CHAIR: Well, because you're asking questions about the ag visa and why it wasn't in place.

Senator CICCONE: I don't think any of my questions were actually having a go at the industry. All we're trying to find out about is the labour force issues that are currently before—

Senator McKenzie: Can I provide some explanation, Senator? The chair asked me, as minister, whether I was as offended as she is about the AWU's commentary, which says that exploitation—a direct quote—of workers is a core part of Australian farmers' business model. Sorry, not true. Yes, there are some rare examples. But to actually trash talk the entire industry and Australian farmers I think absolutely needs to be called out.

CHAIR: Let's move to Senator Faruqi. I think you have questions.

Senator FARUQI: I do. Thank you, Chair. I have some questions on animal welfare standards. I will start with poultry standards first. You might recall that I have asked questions on these before. Can you advise the status of the development of the Australian animal welfare standards and guidelines for poultry?

Ms Deininger: Thanks, Senator Faruqi. Toward the end of last year, we provided the states and territories, through the agriculture secretaries committee that Mr Metcalfe chairs, with a copy of the standards and guidelines for comment and a copy of the regulation impact statement, which accompanies those standards and guidelines. They are in the process of providing comments. We expect to go back to the secretaries committee early this year. The reason we have to consult or engage with the states and territories is that ultimately they will need to legislate or otherwise enforce the standards and guidelines. That is the process that we've been going through. They will then have a discussion at the secretaries committee about how each of the jurisdictions wishes to proceed in relation to the poultry standards and guidelines.

Senator FARUQI: How long has this process been going on up to now?

Ms Deininger: The process has been going on for some time. I can check the date, or maybe Ms Stanion can follow on with that. The sensitivity here is that we adopted a new model where we had a panel of three eminent people come up with the standards and guidelines. I think we've discussed before that there are varying views in industry about the appropriate standards and guidelines. There are different arrangements in the different jurisdictions. We've adopted a new model in terms of having an eminent panel that has come up with the standards and guidelines, which will then be up to individual jurisdictions in terms of their adoption.

Senator FARUQI: I do know that. Could you give us some indication of when we started this process?

Ms Stanion: Agriculture ministers agreed in October 2019 to establish an independent panel to work on these standards. The membership of the panel was agreed in February 2020 and commenced work in April 2020.

Senator FARUQI: But the process of updating the standards has been going on long before that, hasn't it?

Ms Deininger: There were earlier processes that were undertaken, I guess, more informally, if you like, amongst the states and territories and officials. We might come back to you later on in the day. I'm not sure that I have that detail here.

Senator FARUQI: What is the time line now? Are there dates at which the states and territories need to give their responses back and then a final date for when these will be finalised?

Ms Deininger: As I mentioned, we provided the regulation impact statement and the guidelines. I'm not sure whether Ms Stanion has a date as to when comments were due back. We are expecting to go to secretaries early this year and then we'll have a discussion with the secretaries about what individual jurisdictions plan to do. As I mentioned earlier, it will be up to individual jurisdictions to decide the time frame, if you like.

Senator FARUQI: Sure. But the standards will have to be produced and finalised before they can decide on anything.

Ms Deininger: That's right.

Senator FARUQI: So when will the standards be finalised?

Ms Deininger: Well, that will be the discussion of secretaries early this year. Probably in the next few months it will go to the standards committee.

Senator FARUQI: The standards will be finalised?

Ms Deininger: Well, it will go to the committee. I can't speak on behalf of whether the states will agree to that.

Senator FARUQI: I don't know how these projects can work without a time line. Let me go to another question.

Mr Metcalfe: It is part of the joys of the federation, Senator, seriously, in that largely animal welfare issues are a responsibility of the states and territories. The Commonwealth plays a leadership and coordination role. We have particular responsibilities in relation to exports et cetera, as you know. Really we are trying to work with all of our states in a cooperative way. We've had an expert panel assist us. There will be other issues, such as the fact that the South Australian government is in caretaker mode. Therefore, they won't be able to commit until they are out of caretaker mode et cetera. It is a very important matter. It is being progressed. We will continue to work closely with the states and territories.

Senator FARUQI: There was reporting in 2017, you might recall, that the New South Wales government had been working with the industry to make sure that the standards would not outlaw battery cages or phase out

battery cages. Is New South Wales one of the states that is still holding out? If that is the case, what progress has been made to bring them on board to phase out battery cages?

Ms Deininger: The process we've undertaken was to engage with state and territory officials and obviously give them the opportunity—we've given them the guidelines and the RIS—to engage with their ministers. I think that probably in the next few months when we've taken on board their comments or not, depending on whether we've been able to, we will hopefully have a clearer picture of different jurisdictional views.

Senator FARUQI: So you don't have at the moment any idea about which states or territories will come on board with the draft standards?

Ms Deininger: That's right. I don't think we have a clear picture. We have sent the documents out for consultation.

Senator FARUQI: Can you advise the status of the development of the new standards for slaughtering establishments? I think that process has also been started?

Ms Deininger: For abattoirs?

Senator FARUQI: For abattoirs, yes. In the model code of animal welfare livestock at slaughtering establishments.

Ms Deininger: Yes. I think that's—

Senator FARUQI: As far as I understand, the current model code of practice is 20 years old.

Ms Deininger: In relation to our export abattoirs, that is a matter for our agricultural trade outcome or area.

Senator FARUQI: Outcome 4? Is that where I should ask these questions? Is it export and veterinary services?

Ms Deininger: That's right. Outcome 4.

Mr Metcalfe: Agricultural export services come under output 4.1.

Senator FARUQI: I'll come back and ask those questions.

Senator CICCONE: I note that the promise for April was made by Minister Littleproud late last year, where he said, and I quote, 'The AVs will be up and running by Christmas.' Obviously, this hasn't come to be. I understand that there are still negotiations with a number of ASEAN nations. Why did the government make that promise? Was there advice that you had provided, Mr Metcalfe, to the minister with respect to him making that announcement or commitment?

Mr Metcalfe: We would need to check on that. I will take that on notice. We obviously—

Senator CICCONE: You don't remember giving advice to the minister that would help him?

Mr Metcalfe: We work very closely with the minister. We talk with him very regularly and obviously provide written briefs on issues. I think Ms Deininger has explained that there are two components about getting the visa up and running. One is building the infrastructure—the appropriate legislation, regulations and arrangements, which are basically in place. The second is the aspect being pursued by the department of foreign affairs in relation to bilateral arrangements. It would basically see foreign countries agreeing that their citizens will travel to Australia under these circumstances. That is ongoing. There has been a great deal of work associated with that, but it is yet to be completed.

Senator CICCONE: At the last round of estimates, the advice I was given by officials is that they expected there would be hundreds of people on this visa by the end of the year. Is that still not the case?

Mr Metcalfe: Well, it's clearly not the case, but it's not for want of trying or for want of engagement. There was, dare I say it, a discussion between senators earlier as to all the dynamics associated with this. We're very clear in working with foreign governments and the department of foreign affairs about the safeguards associated with the scheme and the benefits associated with the scheme that flow both to the workers and their home countries as well as obviously Australian producers and the Australian community more generally. The inability to travel and to progress discussions in the usual way because of COVID restrictions has been probably a contributing factor in that it's just not business as usual. So we continue to work very closely and will continue this as a very high priority.

Senator CICCONE: Has your department not undertaken any work to determine the number of people they expect to be on this visa in the foreseeable future?

Mr Metcalfe: As I've said, basically we need the arrangements in place before we can start bringing people out to the country. So the infrastructure is being built. We're ready to go. We've been working very closely with

the industry and the employer organisations as to those arrangements. As soon as the bilateral arrangements are put in place and the visas can start being issued, people will start moving.

Senator McKenzie: We're trying to assist. The bilateral process is not assisted by the AWU's public campaign. So if you are actually interested in assisting with the workforce shortages for Australian farmers, you would tell your boys and girls at the AWU to stand down so that when foreign leaders and diplomats et cetera are looking to have those conversations with your officials around setting up those bilateral arrangements, they will understand that their citizens will have a safe and respectful workplace and a lot of opportunity here as a result of this particular policy announcement.

Senator CICCONE: Surely, Minister, when they do listen to various stakeholders, these foreign governments would also be listening to the Australian government. Are you not making that strong argument in terms of why they should be signing up to these bilateral agreements?

Senator McKenzie: What I'm saying is that, if you are actually interested, the AWU will stop their very public and loud campaign basically saying that if you work on an Australian farm, you're going to get exploited. That is exactly the language that is being used. Senator McDonald has made it clear, as somebody who comes off a farm. Senator Mirabella is here. He's a proud member of the Victorian Farmers Federation. He could give you chapter and verse on how offensive it is for the AWU and the Australian Labor Party to keep perpetuating this lie that Australian farmers' business model is predicated on worker exploitation.

Senator CICCONE: So you're saying that your own colleague Senator Canavan, at the last round of the Senate inquiry into job security on this issue, was wrong when he said that it sounds like indentured labour, there's no competition and it sounds like a cartel? They were his own words about how he described a number of Vanuatu workers who appeared before a Senate committee only last week.

Senator McKenzie: No-one here, Senator Ciccone, is saying that everybody is lily white.

Senator CICCONE: You've got members of the National Party who are also in disagreement with your characterisation.

Senator McKenzie: It is a big difference to say that there are very rare examples of incredibly poor behaviour. The industry recognises that. To say that it is an endemic cultural issue for the Australian agricultural workforce and Australian farmers is incorrect. It's a lie. Not surprisingly, it's your business model, quite frankly.

Senator CICCONE: No, it's not.

Senator McKenzie: It's the Australian Labor Party's business model.

Senator CICCONE: You're trying to set your own narrative to shift the blame onto someone else.

CHAIR: Hold on. Can we just have one—

Senator McKenzie: Listen to the clients. I'm sure Senator Mirabella could give you chapter and verse.

Senator CICCONE: It was 2018 when you first promised an ag visa.

CHAIR: We'll just have one person speak at a time.

Senator McKenzie: If you really want the ag visa, then you'll tell the AWU to shut their traps.

Senator CICCONE: I will not tell the AWU anything. They are there to protect workers and make sure people aren't exploited. Clearly, this government doesn't believe in addressing that issue.

CHAIR: The unions are meeting with embassies.

Senator McKenzie: No, sorry—

Senator CICCONE: You don't. You've still got a bill before the parliament that has not been passed.

Senator McKenzie: The AWU has been meeting with foreign ambassadors—

CHAIR: Okay. C'mon!

Senator McKenzie: and trash talking our farmers—

CHAIR: Minister.

Senator McKenzie: so don't come and complain that we haven't got an ag visa and can't get bilaterals done.

Senator CICCONE: You haven't delivered a thing.

CHAIR: The AWU is visiting embassies to repeat these claims. They are going to embassies and trash talking our farmers.

Senator CICCONE: The government can't work because of a union? God.

CHAIR: They are trash talking—

Senator CICCONE: You've had since 2018.

CHAIR: our people to the embassies. Let's move on to another question, thank you.

Senator CICCONE: I've got some other questions I would like to ask the department before we get distracted again. Mr Metcalfe, Minister Littleproud recently travelled to Indonesia. Did any member of your staff or the department assist the minister?

Mr Metcalfe: Deputy secretary David Hazlehurst was part of the minister's delegation. He accompanied the minister. We have staff in Jakarta. They were present during the meetings the minister had with Indonesian counterparts and other people.

Senator CICCONE: Was that at the invitation of the minister, or did the Indonesian government reach out to Minister Littleproud?

Mr Metcalfe: In terms of the need for accompanying?

Senator CICCONE: No. The meeting that occurred.

Mr Metcalfe: The minister has made it clear for a long time that he was seeking to engage with a number of countries overseas. Unfortunately, the way the world has been the last couple of years, that has been severely curtailed. The minister was able to visit Jakarta. He originally planned to go other destinations, but the onset of Omicron and all the testing and other requirements simply made that impossible.

Senator CICCONE: Who did the minister meet with whilst he was there?

Mr Metcalfe: I will get Mr Hazlehurst, who was there, to provide you with a bit more detail about the visit.

Mr Hazlehurst: The minister met with three of his ministerial counterparts—the agriculture minister, the coordinating minister for economic affairs and the minister for manpower. He also had two meetings with industry stakeholders, one focusing on grains and horticulture and the other focused on meat and live exports.

Senator CICCONE: Are you able to provide an itinerary?

Mr Hazlehurst: I could take that on notice.

Senator CICCONE: Thank you. Could you take on notice the cost associated with the travel as well?

Mr Hazlehurst: Yes. I can take that on notice.

Senator CICCONE: Again, apart from Indonesia, are there any other trips for the minister that you are planning within the region?

Mr Hazlehurst: There are no concrete plans at this stage, no.

Senator CICCONE: I also want to touch on this very briefly. Mr Metcalfe, are you able to provide me with a bit of an overview on what actions the department has undertaken to encourage the upskill in workers in hort, mainly around skilling and training?

Mr Metcalfe: Sure. I'll ask Ms Deininger to do that.

Senator CICCONE: Are there any programs that the department has?

Ms Deininger: So your question is around upskilling people, particularly in the horticulture sector?

Senator CICCONE: Yes. Predominantly horticulture.

Ms Deininger: Employees or employers?

Senator CICCONE: Employees. Are there any programs that you are aware of?

Ms Stanion: We have the AgUP Program. That recently called for applications. That is beyond horticulture. It is for all of agriculture. We don't have a program that is specifically targeted at workers in horticulture.

Senator CICCONE: We often hear that temporary visa holders in hort are not being provided with knowledge or fully understanding their rights and obligations. I was intrigued to know if the department had any programs to assist employers in skilling up some of those workers.

Mr Metcalfe: Certainly there are programs in which we are working with the horticulture industry. I think that is where Ms Deininger questioned you about employers or employees. We can certainly talk about that.

Ms Deininger: In terms of employers, there's a Fair Farms program that the government has announced. Ms Stanion might want to provide some more details. That is in terms of skilling up employers. The Fair Work Ombudsman and Home Affairs engage and provide information to workers coming from overseas to outline people's work rights and that kind of thing. They provide background information and support services. While it might not come from our portfolio, there are other portfolios that provide those services. Ms Stanion might wish to provide a bit more detail on the Fair Farms initiative.

Ms Stanion: We've recently extended the Fair Farms funding that we initially provided to Growcom. As you know, it is about supporting members of the horticulture supply chain understand their obligations and be compliant and ethical employers. As at 4 February this year, there are 349 actively enrolled participants in that program, and 92 employers have been certified so far.

Senator CICCONE: What is the process for certification?

Ms Stanion: There's an audit. After the employers go through the program, there is an audit process. Following that, if they are successful in passing, they are certified.

Senator CICCONE: Are you aware whether the government has engaged with the private sector to try to find solutions to address some of these other skilling issues or maybe reached out to providers? I'm not sure whether that has been up for consideration or discussed?

Ms Deininger: Providers of?

Senator CICCONE: Training providers—RTOs.

Ms Deininger: There may well be programs run out of the Fair Work Ombudsman or out of the employment department for employers generally, but I can't comment on specifics.

Senator CICCONE: Do you work with state colleagues to look at initiatives to train these workers?

Ms Deininger: I'm not familiar with any state programs to skill up employers.

Senator CICCONE: Are there any discussions at that level? I'm not asking whether you are aware.

Mr Metcalfe: As I said earlier, we talk to our state counterparts every couple of weeks. Ms Stanion chairs a more focused series of discussions around workforce and labour issues. We let the states get on with it. Each state will have its own particular programs and how it provides those services. We do believe that, particularly in relation to foreign workers, the Commonwealth has obviously got particular responsibilities and, hence, the programs that we've described here. I would be very surprised if there weren't programs at the state and territory level, again providing information and support about employment practices and whatever. It's a dynamic area. We've discussed this at length. Indeed, there was a major report a year or so ago in relation to the future of agricultural labour. There's a lot of technological development occurring. A lot of the research and development corporations are funding new ways of working. While there of course remain, and will probably for the foreseeable future, significant requirements for relatively unskilled or semiskilled labour, that is changing right across industries. Over the next decade, I think we will see a changing in the skill needs of the workforce as they operate more machinery or their skills are augmented in various ways.

Senator CICCONE: Chair, I'm happy to end there.

CHAIR: Senator Rice has some questions. Thanks, Senator Ciccone.

Senator RICE: I want to ask some questions about forests and forestry.

Mr Metcalfe: I will get the right people to the table. You might have seen them last night.

Senator RICE: Yes. It is a continuation from some of the questions last night. I want to start with some clarification about the details of the extension of the Victorian regional forestry agreements. They were extended in March 2020 to 2030.

Senator McKenzie: We do have the minister responsible arriving.

CHAIR: I apologise.

Senator RICE: They are coming. I asked the chair.

Senator McKenzie: Sorry, Senator Rice. As much as you know—

Senator RICE: I know.

Senator McKenzie: I am a huge fan of our sustainable forestry industry in Australia, and particularly in the state of Victoria, it's probably better if you could—

Senator RICE: Absolutely.

CHAIR: Do you know what time he is coming?

Senator McKenzie: I know I have to be in Communications at 2.30 pm, so he will be here then. Could we schedule forestry for 2.30 pm?

CHAIR: We are finished in that section of the department by then.

Senator McKenzie: We'll let you know. We'll sort it. We'll do some backroom staffing.

Senator RICE: Alright. I will come back when Minister Duniam is here. That would be much more appropriate.

CHAIR: Senator Rice, we do apologise.

Senator McKenzie: And we'll probably do fishing as well. We'll do fishing and forestry when Duniam is here.

Senator RICE: Excellent.

CHAIR: Senator Patrick, would you like to ask your questions now?

Senator PATRICK: Like Senator Rice, I've got questions on forestry.

CHAIR: Perhaps I could ask my questions and we'll come back.

Mr Metcalfe: We'll check with Senator Duniam and let the committee know when he will be here.

Senator PATRICK: Thanks.

CHAIR: I have a question with regard to animal welfare. I used to sit on the Beef Sustainability Framework committee and was a big supporter of the work that industry was doing on using pain relief, particularly in cattle, though it has now spread to sheep as well, using Tri-Solfen. That is a product for pain relief. We had a short discussion at the last estimates on the public consultation of the TGA about the use of NumOcaine, colloquially used for Numnuts, as a product. It was presented that this is somehow going to allow for these products to be sold in supermarkets, which of course is not what the industry is looking for. They are looking for a move from the S4 to S5 category. That will allow its sale to move from being restricted to vets to rural businesses or even online to preapproved applicants. I want to go back and revisit that. At the last hearing, there was a suggestion that this product in particular was going to be available inappropriately to the household. I want to ask where that is up to. I want to ensure that regional farmers who don't have vets close by are able to continue using pain relief for their animals.

Mr Metcalfe: I will check with my colleagues whether this might be an issue for the APVMA.

CHAIR: I'm sure it will be. But the department must be running the consultation.

Mr Metcalfe: We can see whether the department has any particular knowledge of the issue. I suspect that aspect of the regulation of the use would be a matter for the Pesticides and Veterinary Medicine Authority.

Ms Deininger: The regulatory arrangements and who is able to provide particular medicines or chemicals is a matter for the APVMA, and they are appearing later today. So we'll make sure they are across that.

CHAIR: Terrific. Thank you.

Senator McCARTHY: I would like to go to biodiversity, if I may and we have the right people at the table.

Senator McKenzie: Senator Duniam will be available straight after the tea break. The secretariat can let Senator Rice know that all our fishing and forestry questions can come then.

CHAIR: Terrific. At 11.15 am. Thank you.

Senator McCARTHY: Can the department provide all of the measures that are part of the \$66.1 million ag biodiversity stewardship package?

Ms Stuart-Fox: Certainly. There's a Carbon + Biodiversity Pilot. There is a number of measures in that package, as you would be aware. The one that was rolled out initially was carbon plus biodiversity. That is a way of crediting the biodiversity values associated with plantings that are also registered for carbon credits and are generating carbon credits under the Emissions Reductions Fund. The second pilot is enhanced remnant vegetation. That is where you've got existing remnant vegetation on farm. Because they are not establishing a new plantation, there's no additional carbon benefit. It's not credited separately through the ERF but can be credited for its biodiversity benefits through the pilot. There's also a national stewardship trading platform, which is a platform to enable the trade or sale of those biodiversity benefits. It's also a project planning tool to enable farmers to plan their biodiversity project, whether it is the carbon plus biodiversity or the enhanced remnant vegetation. There's an Australian farm biodiversity certification scheme, which is a way of certifying the biodiversity benefits. That is for marketing purposes rather than for the sale of the biodiversity outcomes. There is also the Australian Agricultural Sustainability Framework, which is looking more broadly at environmental sustainability. That is a measure that is being delivered by the NFF.

Senator McCARTHY: Thank you, Ms Stuart-Fox. Could you also give us the total amount of funding and a breakdown across the forward estimates?

Ms Stuart-Fox: Yes. There have been two budget measures. There was a budget measure in 2019 and a budget measure in 2021. The 2019 budget measure was a \$34 million measure, and the 2021 measure was a \$32.1 million measure. I can give you the breakdown, if you like, now or can do it on notice.

Senator McCARTHY: Do you want to table that?

Ms Stuart-Fox: Yes. There's just quite a lot of numbers, but we can do that.

Senator McCARTHY: Thank you. Just going on those figures you've said, the 2021-22 budget included new funding of \$32.1 million—

Ms Stuart-Fox: That's correct.

Senator McCARTHY: to promote the biodiversity stewardship.

Ms Stuart-Fox: It was for design of the package as well as initial rollout.

Senator McCARTHY: Can you provide a breakdown of the measures included as part of that funding? Is that on that document you're going to table?

Ms Stuart-Fox: Yes. The carbon plus biodiversity is \$23.5 million over four years. Enhancing remnant vegetation is \$22.3 million over four years. The trading platform is \$4.4 million over four years. Biodiversity certification is \$5.4 million from 2021 over four years. The sustainability framework is \$4 million over four years from 2019.

Senator McCARTHY: I want to repeat that question. Will those figures be on that document you're going to table?

Ms Stuart-Fox: Yes. We can provide you the full breakdown of each one of those measures.

Ms Connell: We'll provide that information on notice.

Senator McCARTHY: How are things going in Antarctica?

Ms Connell: That was the subject of quite a few questions yesterday evening.

Senator McCARTHY: I did enjoy being down there. That is another conversation. Ms Stuart-Fox, how much has actually been expended to date of that \$32.1 million funding?

Ms Stuart-Fox: We've got two different measures. It is \$66.1 million across the two budget measures for the package. Expended is \$19.8 million, with an additional \$6.9 million committed. By that, I mean contracted.

Senator McCARTHY: That's fine. Thank you. How much remains? That is \$19 million and \$9 million? Are you including the two together—\$19.8 million plus \$9 million?

Ms Stuart-Fox: It is \$19.8 million plus \$16.9 million committed.

Senator McCARTHY: I beg your pardon.

Ms Stuart-Fox: What that means is that across the two packages there's \$39.4 million that has yet to be contracted. Of course, we have grant rounds opened and grant rounds being assessed. We would expect that to be contracted over the next little while.

Senator McCARTHY: In terms of the carbon plus biodiversity and the enhancing remnant vegetation pilots, how much of the round 1 funding has been expended?

Ms Stuart-Fox: Offers have been made totalling \$4 million under the Carbon + Biodiversity Pilot. Enhanced remnant vegetation closed on 27 October and is currently under assessment.

Senator McCARTHY: So you don't have a figure for that yet?

Ms Stuart-Fox: No. That's correct. That grant program has just opened and we're currently assessing it. We would expect offers to be made once those assessments are complete.

Senator McCARTHY: Do you have a total for each of those programs in terms of the funding?

Ms Stuart-Fox: Yes. Enhanced remnant vegetation is \$22.3 million over four years.

Senator McCARTHY: And carbon biodiversity is the—

Ms Stuart-Fox: That's correct. There's, of course, an administered and a departmental breakdown associated with each one of those programs. The grant round has gone out. There have been a high number of applications for that. They are currently being assessed. Once that assessment process has occurred, offers will be made under that program.

Senator McCARTHY: You say there has been a high number. What is a high number?

Ms Stuart-Fox: I can't confirm the number yet, Senator.

Senator McCARTHY: How many farmers participated in round 1?

Ms Stuart-Fox: In round 1, 83 applications were received under carbon plus biodiversity. That is between six and 16 applications per region. It ran across six regions. There has been a second round of carbon plus biodiversity run across a further six regions.

Senator McCARTHY: When you say the 83 applications, that is over both those rounds?

Ms Stuart-Fox: No. That is round 1.

Senator McCARTHY: Can you provide a breakdown of the number of farmers participating in the carbon and diversity pilot and the enhancing remnant vegetation pilot?

Ms Stuart-Fox: Yes. As soon as an announcement has been made around enhanced remnant vegetation, we can do that. Similarly, round 2 of carbon plus biodiversity opened on 16 December and closed on 3 March. That has just closed. We can provide you with numbers.

Senator McCARTHY: On 3 February, do you mean?

Ms Stuart-Fox: Sorry. It closes on 3 March. Once that grant round closes, of course we'll have numbers of applicants out of that.

Senator McCARTHY: Can you provide a breakdown of the total number of farmers across each of the six NRM regions, including central west New South Wales, north Tasmania, the Eyre Peninsula and south-west WA?

Ms Stuart-Fox: We can. We can give a regional breakdown of applications under each one of those rounds.

Senator McCARTHY: Thank you. Round 2 of the pilot, you said, is underway, with funding of up to \$18.8 million in an additional six eligible NRM regions—Fitzroy Basin, Riverina, Goulburn Broken in Vic, Southern in Tasmania, Northern and Yorke in South Australia and South Coast in WA. So they are the applications you are saying close on the 3rd?

Ms Stuart-Fox: Round 2 of carbon plus biodiversity will close on 3 March.

Senator McCARTHY: So why is there a funding difference if round 1 is \$23.5 million and round 2 is \$18.8 million for the same number of NRM regions?

Ms Stuart-Fox: Carbon plus biodiversity is \$23.5 million over four years for both rounds. Because we're waiting, you have to see what kind of applications come forward. You are doing a market assessment. The way we calculate that is farmers provide information about the sorts of activities they are doing and the cost of those activities. That is so we understand what the cost of doing the project is. We then look at the funding that they are able to get through the carbon scheme—the value of the carbon credits. That tells us what the remainder is that we have to pay for through the biodiversity scheme. The pilots are designed to test the market and to understand the market and to determine the cost of these. That is why you can't say upfront, 'This is exactly what we're going to be expending.' We ran a first round to test the market and then realised that it was very cost effective and we were able to run a second round. The second round applications will give us further information about the cost of these projects. That will let us understand what we need to expend out of those program funds.

Senator McCARTHY: Given that the round closes in March, will the decisions be made public on the website?

Ms Stuart-Fox: Absolutely. So in the normal process we do that assessment, and then an announcement is made about the number of successful applicants. Because it is a market program and it's not a straightforward grant program, if you like, the information on the website doesn't tell you exactly what the dollars are for each grant recipient. They are offers made to those farmers from the assessment. The farmer has to decide whether or not they want to accept that market offer under the biodiversity scheme.

Senator McCARTHY: Thank you, Ms Stuart-Fox. I might move to another area, if I can, Chair.

CHAIR: I don't think anybody else has questions.

Senator McCARTHY: Awesome. I've got you all to myself. I want to ask about supply chain issues.

CHAIR: I will flag that in four minutes we will have a morning tea break.

Senator McCARTHY: Do you want to have a break now?

CHAIR: I will give you four minutes of questions on biodiversity.

Senator McCARTHY: I am moving on to another topic.

CHAIR: I will finish up on it because it will throw everybody into disarray, Minister. I have had contact from farmers and graziers who are really interested in the biodiversity plans. I think it is a really interesting space that is moving very fast. There are a number of proponents in the carbon space that are also charging a range of fees. I

am really keen that we start treating those funds like superannuation, where we've got transparency, so some can't charge 50 per cent of the payments as opposed to others that are charging 25 per cent. In the biodiversity space, have you got any thinking around how the market will be managed around transparency of pricing to ensure that there aren't cowboys in the market?

Ms Stuart-Fox: That is one of the things that the pilot is testing. It is getting market information so that market information can then be made available to farmers and they can plan their projects. The trading platform also helps to reduce some of those costs. One of the reasons why you've got high fees in the scheme is that it's complex, people don't understand it and it's difficult to do projects. The platform makes it simple for people to understand what they have on their land and the value of the biodiversity assets on their land. It makes it simpler to actually design their own projects. You can get in and do that. It makes it simpler to trade and see what other people are doing and what prices are out there. There's also funding for NRM organisations to provide advice to farmers. So they are all things that are reducing the likelihood that you get people in there who can, because there's complexity, charge high fees to farmers, which means that potentially farmers don't get the full value and full return on their biodiversity and carbon project.

Ms Connell: The other key initiative of the government in this space is the agriculture biodiversity stewardship market legislation, which will obviously create a framework for a transparent market.

CHAIR: That is terrific. I will make a note to ask you questions about this after the trial.

Mr Metcalfe: There is legislation in the House of Representatives that I think is due for debate today. It was introduced by Minister Littleproud last week to support the overall scheme and arrangements. We're very hopeful that it will come to the Senate soon. This is genuinely innovative public policy and public administration. It has the ability to provide an income stream to farmers. It's designed so it will not impact on productive areas of farms but on the unproductive areas of farms. It has a huge environmental and biodiversity uptake as well, so it's a sort of a win, win, win situation here. I've been involved in public administration for decades and this is one of the more quite brilliant pieces of public policy that's been brought forward—if I'm allowed to comment on public policy!

CHAIR: It seems reasonable if you're not backing your own horse! I will continue to follow up, because the market element is the interest.

Proceedings suspended 11:00 to 11:16

CHAIR: We now continue with outcome 3 of the department. Senator McCarthy.

Senator McCARTHY: Thank you, Chair. I want to go to supply chain issues, but firstly I want to give a huge thank you to all the workers involved in trying to get supplies out to our communities across Australia and, in particular, up north. We certainly experienced some massive problems with the cuts to supply chains, and I just want to pass my thanks on to those listening who are involved in the industry.

I am keen to ask a couple of questions about the disruptions that have occurred, and all of this is about learning from what's happened. We've seen images of empty shelves in supermarkets and consumers paying more for certain things. There's also a shortage of pallets to get food produce and other items delivered to supermarkets. Can the department tell us about the shortage of pallets? How are goods transported around the country when there aren't pallets around?

Ms Deininger: I'm happy to make some comments, and Ms Campbell may wish to add to those. Pallets are obviously important for moving goods between aircraft, trains or other heavy vehicles. There are different sized pallets in planes compared to heavy vehicles. In addition, we had the significant challenge of the flooding that impacted our colleagues and families in the Northern Territory and into WA.

In relation to pallets, we've been very involved in supply chain issues and have been working with our colleagues in the department of industry, Treasury and the emergency management department, seeking to understand where the blockages were. One of the things we understood about pallets was that it wasn't necessarily that there were fewer pallets, but that in some circumstances they weren't moving through the system quickly enough. So that if some suppliers were—hoarding is probably the wrong word—keeping them for use in their own vehicles, it meant there were potential disruptions elsewhere, because what is important is the movement of pallets through the system and the sharing of them. Because of the lead times in building pallets, they're not something that you can easily and quickly add to the supply.

We've been working with our colleagues in Home Affairs, Treasury and the industry department. We've had a bunch of different meetings with Industry to help those supply chains and improve the movement of pallets, particularly for important goods, whether they're medical supplies, fresh foods or other food that we need to move.

Senator McCARTHY: You're saying there's no shortage of pallets; it's the circulation that was the issue?

Ms Deininger: There wasn't anything that reduced the overall number of pallets, but there were blockages in the system which meant that some people had a shortage and others didn't. Through those coordination mechanisms and those discussions with industry, there was encouragement of how we might use the existing supply better to ensure that we can move, especially, important medical supplies and food. Ms Campbell?

Ms Campbell: I might add something. Certainly the pallet issues we've seen over the last couple of months have really been exacerbated by the issues Ms Deininger talked about. There is, I guess, a lower order issue about the amount of wood going into pallets. That's really wood out of Victoria going into the pallet manufacturing facilities in Victoria, and a lot of that is a result of junctions et cetera and lack of hardwood going into the supply. That's an issue for the Victorian government releasing wood into that supply chain. We're continuing to work with industry and the Victorian government on that. That's a longer term issue. But it's not at the scale of the supply chain issues.

Senator McCARTHY: Ms Campbell, is that the only area where you're working on manufacturing of pallets in Victoria?

Ms Campbell: My understanding is the vast majority of hardwood pallets, which are the long-lived pallets that support the hospitality and food industry, are made in Victoria. So there might be a longer-term solution, but at the moment that's really the issue.

Senator McCARTHY: So it's not a pallet shortage; it's just the fact that the existing ones can't be circulated?

Ms Campbell: That's the main issue—that there's a circulation issue—although there are fewer pallets in Australia than we would like because the manufacturing of pallets has slowed down.

Senator McCARTHY: When you say 'fewer', by how much?

Ms Campbell: I don't have that number. Apparently it's a sleeper issue, but it's been vastly swamped—that's how industry described it to me—with the other issues that we've been seeing across all supply chains over the last couple of months.

Senator McCARTHY: What would be an ideal number in terms of pallets?

Ms Campbell: Sorry, I don't have that number. We can certainly work with industry and take that on notice.

Senator McCARTHY: Yes. If you could also let me know if Victoria is the only state that can be involved in manufacturing that.

Ms Campbell: I will do that. Certainly my understanding is they are the main hardwood manufacturer of pallets, and there are softwood pallets being manufactured elsewhere.

Senator McCARTHY: Where are they manufactured?

Ms Campbell: I will take the detail of where and how the pallets are manufactured on notice.

Senator McCARTHY: Okay. What impact has this had on consumers? I've certainly seen the impact up home, but, in terms of the availability of products and items and the cost to consumers, is that something the department has put together in terms of what happened recently?

Ms Deininger: We don't have a spreadsheet or data, if you like, on the specific impacts on particular things. I would say there are a confluence of factors. We discussed earlier the impacts of the flooding in South Australia, which impacted NT and WA. We've got the issue around supply chains and the disruption in pallets. And, of course, especially early on in the omicron wave, in some sectors, there were higher levels of absenteeism from the workplace because of COVID moving through the community.

Senator McCARTHY: It was a perfect storm, really. I'm curious to know, Ms Deininger, how such a situation is debriefed on and what the learning from that episode is. Is that something that the department does in terms of putting together a debrief: 'This is where things went wrong'? It's not about blame; it's actually about how you learn from a situation of crises. Again, if I reflect on how we felt up north, we were just totally cut off. Plus we had COVID in its fullest and thickest form impacting our communities. It was probably the first time we realised just how incredibly vulnerable we were.

Mr Metcalfe: Certainly it's been a pretty extraordinary summer. We as a department, as I think my colleagues explained, are very much part of the joined-up whole-of-government work here, and coordination comes largely from the Department of Home Affairs and Emergency Management Australia. The National Coordination Mechanism has been a very important central point, and the intersection of departments and the private sector and state governments coming together to focus on these issues. I'm very confident that Emergency Management Australia; the National Recovery and Resilience Agency, the NRRRA; and others will be looking at this confluence

of multiple factors, whether they're weather events, pandemic events or external supply chain shocks, and saying, 'What we can do? What would we do better?' and whatever. Notwithstanding all of those challenges that have been thrown at us and notwithstanding the severe disruptions that have occurred, I think Australians have pulled together remarkably well to fix the problems—definitely practical people—and get on with it.

Your question, which I think is a very important one, Senator, about whether people look back and think about lessons to be learnt and how you move forward—absolutely, and we will be part of those whole-of-government processes.

Ms Deininger: Senator, I think one of the key observations I would make is the importance of engaging with industry. I think one of the things that we learnt, or that we benefited from this time, was that we had very strong links to industry. So, for example, when there were employers who were facing shortages, we were able then to introduce them to the Pacific Australia Labour Mobility program as a means of getting workers in. We had the Agricultural Workers Code, which defined essential workers not just as people who are directly involved in agriculture but people who are involved in food manufacture or in veterinary services, transport and so on. I think what we were able to do this time was to be able to, if you like, deploy or utilise strategies and programs that we had put in place earlier in the pandemic to assist in terms of the omicron wave, in the same way that we had used those mechanisms in earlier strains, if you like, of the pandemic.

Senator McCARTHY: Does the minister get briefed on what happened in this particular scenario, say, with the pallets? You were saying there wasn't a shortage, but they were going round and round in terms of blockage. Does the minister get briefed on that or is it still just at department level?

Ms Deininger: Certainly the national cabinet took a very keen interest in all of these supply chain issues, whether it was pallets or the transport issues into the NT and WA, whether it's not only agriculture sectors but other sectors who needed employees. So certainly national cabinet took a very keen interest in all of those matters.

Senator McCARTHY: Just on the debriefing of what occurred, obviously I will follow that up at next estimates, whenever we get to that point. I will be following it closely, because it did have such a profound impact, and obviously not just on the Northern Territory. It would be good to know how the learning takes place with all of these scenarios so that we can hopefully be a bit better prepared next time.

Senator Duniam: Senator McCarthy, I might add to this. I think it might have been Friday week ago that I toured a pallet manufacturing facility in Colac in Victoria. They talked about the issues they faced and the capacity they have to expand their production both of softwood and hardwood pallets, which would address some of the issues Ms Deininger and Ms Campbell have spoken about. So, to your point around what learnings there are, I've engaged with the forest industry—the growers and harvesters—and the manufacturers of the pallets to understand what support they might need. There are various entities out there with proposals that they've brought to government. All of those things need to be considered in the context of the whole-of-government response. So, at least in so far as my responsibilities are concerned, I've conveyed to colleagues who are further up the food chain the importance of making sure we have this sovereign capability but also secure access to resource, to the timber we need to be able to actually do this, to keep these pallets circulating, to keep goods being able to get to market, noting that is just one of the issues that fed into the problem you talked about in the Top End about getting goods to communities.

Senator McCARTHY: What did you learn in that tour with the pallets? Is there a shortage?

Senator Duniam: At a manufacturer level, they see there is a high level of demand that they can't keep up with because of resource security, noting they're a Victorian manufacturer and they're casting the net pretty far and wide to get access to the resource they need, particularly hardwood, which comes largely out of native forests. So that's an issue they're dealing with. They didn't characterise it as a shortage, but as I think, as Ms Deininger said, in the distribution networks—

Senator McCARTHY: Supply and demand.

Senator Duniam: Indeed, that, but pallets might build up at a certain depot, to be reissued and reused somewhere else, as opposed to a shortage. But we've got to still deal with that by creating more supply—or manufacturers do, at least.

Mr Metcalfe: Indeed, Senator, as you know, there are broader global issues as well. The issues about shipping containers and the impact of the pandemic and other trade patterns and the ability to source containers to actually export goods and whatever are well publicised. I suspect the pandemic has thrown up all of these different connections and interrelationships, so all of these issues are certainly things that are the subject of a huge amount

of focus, and ongoing focus, and the lessons of today will always be borne in mind in terms of what more we can do into the future across this range of areas. But, as Ms Deininger said, a lot of it is just ensuring that the right people are connected, that they're talking with each other and that the information flows so that, if things need to occur, they can occur quickly. I think the national cabinet processes have really accelerated that. There's a really strong connection there on these very practical issues that flows through the first ministers' departments and the first secretaries and then out into government more generally, and there is that connection then back in with business as well. It's that intersection as to how government can provide the enabling environment, remove the blockages and assist business when business is being disrupted because of these huge issues, such as we've seen from the pandemic or the massive natural disasters and so on.

Senator McCARTHY: Thank you.

CHAIR: Thank you very much, Senator McCarthy. Senator Rice, do you have questions?

Senator RICE: I do. I'll start off with a follow-up question to the issue about pallets and whether the government or the department, through the regional forestry hubs or other measures, is working to get hardwood plantation logs sawn into pallets, which, being small-dimension timbers, is very possible, rather than exporting our hardwood plantation logs, often as whole logs offshore.

Ms Campbell: Again, this is a relatively new issue for us. I was talking to the industry association, probably last week, and they hadn't really been aware of the pallet issues until the last couple of months, so looking at opportunities for pallets and broadening supplies is certainly something we're doing. I don't know that we've had direct conversations with the hub, but we have with the industry association about what the options are.

Senator RICE: If you could, take on notice any discussions, particularly about the use of hardwood plantation logs for timber purposes such as pallets rather than just for being chipped or for being shipped offshore.

Minister, I want to go to the Victorian regional forest agreements that were extended in March 2020 until 2030. Minister, was it you who signed the extensions to the RFAs?

Senator Duniam: Yes, on behalf of the government—or was it the Prime Minister?

Ms Campbell: I believe it was the Prime Minister, Minister, but we can confirm it in this hearing.

Senator Duniam: Yes, we'll take that on notice. It was either delegated to me or the PM directed that I had to—

Senator RICE: It was either you, as the minister for forestry, or even the Prime Minister who signed it.

Senator Duniam: Typically, the Prime Minister signs those.

Senator RICE: They accredit Victoria's forest management system, don't they? They basically give it the Commonwealth seal of approval.

Senator Duniam: Do you want, perhaps, to run through the process of how we land at that outcome?

Ms Campbell: We assessed the Victorian forest management system, and the word 'accredit' is the right term.

Senator RICE: Minister, in November last year, when Australia signed up to the Glasgow declaration on forests, you said:

Australia's sustainable native forestry practices, where our native forests are regenerated after each harvest event, are consistent with the aspirations of the UN Global Forest Goals and Sustainable Development Goals for 2030.

I assume you'd still stand by that statement.

Senator Duniam: I certainly do.

Senator RICE: Do you believe that native forests are regenerated after each logging event?

Senator Duniam: That's my experience, yes. I'm sure there are exceptions to the rule, but as a global proposition, yes, that's what we should be doing.

Senator RICE: And as part of accrediting the system that's what's going on. Do you believe that timber harvesting in Australia's native forests doesn't result, then, in deforestation?

Senator Duniam: Are you using the term 'deforestation' as being defined as 'clearing land and never replanting it'? Is that what you mean by 'deforestation'?

Senator RICE: I'm asking what you mean by it.

Senator Duniam: That's what I determine it to be. It is just large-scale clearance of land never to be replanted, and our productive forests, largely, unless for other economic reasons, are replanted.

Senator RICE: Essentially, would you agree with this statement that Ross Hampton from the Forest Products Association made:

Timber harvesting operations in Australia do not result in deforestation, as all areas harvested are regenerated to ensure there is no net loss over time in forested areas. In simple terms every Australian tree used is replaced ...

Senator Duniam: Are you asking if I agree with that?

Senator RICE: Yes.

Senator Duniam: As a general proposition, yes. We have to remember though, two or three weeks ago, as a result of changes to the carbon methodology around plantation forests, land that was to be cleared prior to these changes to the methodology would have been turned into pasture, but because of those changes it will be retained. In the past, I expect there have been instances of clearing where it's been turned into something else, but as a general principle, our commitment to that industry, and that part of the industry, accords with what we signed up to.

Senator RICE: I'd like to table a report, that I presume you saw, that was published by a consortium of 19 environment groups, including Environment Victoria, the Victorian National Parks Association and 17 other forest conservation groups in November last year—about the same time as you were signing onto the Glasgow declaration—entitled *After the logging*. There was also some media coverage of it at the time.

Senator Duniam: I think I vaguely recall the media coverage, but I can't say I've sat down to—

Senator RICE: I'd like to table the ABC article as well. Did you see that report at the time?

Senator Duniam: No. I recall the media coverage, but I don't recall reading this report.

Senator RICE: Did the department see the report?

Ms Campbell: Again, I recall seeing the media coverage. I can't recall if my team have read the report—I assume they have—but I could take that on notice.

Senator RICE: If you could take it on notice, that would be appreciated. Has the department done any assessment or evaluation of the report?

Ms Campbell: Not to my knowledge, no.

Senator RICE: Minister, you saw the media coverage but didn't follow it up. Have you contacted the Victorian government about the evidence presented in this report?

Senator Duniam: Not specifically. We are frequently in contact with the Victorian government about forestry matters, RFAs in particular, and major event review et cetera. I don't know whether officials have been in touch, but I haven't.

Ms Campbell: Again, similarly to the minister, we talk regularly with Victoria. I'm not aware if we talked specifically about that report, but we can take that on notice.

Senator RICE: Can you remember if you raised it with the Victorian government in the context of all the other forest—

Ms Campbell: I personally haven't, and my team has just texted me that yes, we have had conversations, but the detail of those I don't have.

Senator RICE: So your team have had conversations with the Victorian government about the evidence presented in this report. Has there been any assessment of—

Ms Campbell: No, there's been no assessment.

Senator RICE: Minister, you've got the report there in front of you. The summary states:

Governments justify native forest logging by promising that they 'regrow' or 'regenerate' the forests 'like for like'. This promise underpins the Regional Forest Agreements (RFAs) signed by the Commonwealth and Victoria. It is used to justify exempting native forest logging from federal environment laws.

That statement's pretty fair, isn't it? As we were just saying, the expectation is that forests that are logged are going to be regrown and regenerated?

Senator Duniam: I believe in the sustainability of the industry, and that's why I support it. That's why we sign up to these things.

Senator RICE: The summary continues:

VicForests claims that fewer than 15% of logged coupes fail to regenerate within three years at 'first attempt'. In fact, this three-year benchmark applies not to forests but to eucalypt seedlings, and the failure rate is 30%, twice what VicForests claims. In Mountain Ash forests, the failure rate is over 50%.

The tables that this report outlines, and the basis of their research, are there in the spot that I've noted in the report, on page 17, but I want to take you to the photos of the failed regeneration report on pages 18 to 25.

Senator Duniam: Can I just confirm something on this report? Is the author Margaret Blakers, the founding member of the Victorian Greens?

Senator RICE: She was one of the founding members of the Greens.

Senator Duniam: I thought that was important context with regard to her views on industry.

Senator RICE: She has also been a highly credited environmental researcher over many years.

Senator Duniam: I'm sure. I don't know Ms Blakers—or perhaps Dr Blakers, I'm not sure—but it's important to have on the record.

Senator RICE: Going to these photos on pages 18 to 25, are these examples of deforestation in your view?

Senator Duniam: One: you've just tabled the report; it's the first time I've seen the detail of it. Two: I note the groups who've contributed to it, and I'd want to go and fact check everything that is in this, I think as you would expect me to. I don't know where the photos were taken.

Senator RICE: The documentation is there on each photo.

Senator Duniam: Indeed, I have to take it at face value; I can't verify that. I'm not a Victorian and I'm certainly not that familiar with the landscape, but I can see the pictures you've provided to me.

Senator RICE: We've got photos of areas which were logged up to a decade ago. This is documenting forest areas and failed regeneration since 2011. Some of them have failed to regenerate for over a decade. It's a very comprehensive report—and has been quite a long time in the making—that's ended up with this documentation. Can I take you in particular to the photo on page 23, which was mountain ash forest which is now regrown as silver wattle forest. Is that deforestation in your view?

Senator Duniam: Again, I'm not 100 per cent sure on the nature of this. It makes a claim that it was clear-felled across a certain period of time, and that the subsequent photo was taken at a certain point in time a decade later. I don't know if it was taken a year after or not. So, again, I can't, based on a report I've just seen and photographs I can't verify, say if all of this is true is that deforestation? Again, I'll go back to the general proposition. The industry we're talking about here isn't one that causes deforestation in my view. I've got some photos here you have provided to me. I'm happy to go away and look at these, interrogate them further, stress test them and see what we come back with.

Senator RICE: At the very least, I would expect, Minister, as this report was put out in November, that you would have asked the department to do an assessment of the research that led to this report. I hope you will ask the department to do that now—now that I've brought it to your attention.

Senator Duniam: I would look at this, but I mean—Friends of Bats and Habitat, Lawyers for Forests—

Senator RICE: They're incredibly passionate forest conservation groups who see the destruction of native forest, which I would have thought the industry was concerned about as well. If you've got 50 per cent of your mountain ash forest areas not regenerating, that's a pretty significant issue for an industry that says they are sustainable. Wouldn't you agree?

Senator Duniam: That's a claim you're making, Senator Rice, and, again, I can't verify the statistics you are bringing to the table here.

Senator RICE: We also have the ABC reporting on it. They've got pretty strict legal checks. They're not going to be reporting and presenting evidence that hasn't been through their lawyers as to whether the evidence that's presented backs up the claims that have been made.

Senator Duniam: If you are asking me to say, because the ABC has reported it, it must therefore be fact—they're presented as journalists with information. They will ask questions and try and seek answers; that's their job.

Senator RICE: Would you agree, Minister, that a forest management system that tolerates this kind of regeneration failure, which is what's being put to you—and I am very strongly of that opinion—is in fact very strong evidence? I understand that you want a chance to look at this evidence. But, given the evidence that's presented here, would you agree that a forest management system that tolerates this amount of regeneration failure is, in itself, a failure?

Senator Duniam: Again, firstly, you are making the claim that this system tolerates failure, as you define it, based on information that I wish to go away and interrogate. Secondly, the Victorian government, as you know, manage the forests in Victoria.

Senator RICE: Accredited by the Commonwealth as we established at the beginning of this session.

Senator Duniam: Indeed. And a process I support and stand behind, and I know all of my predecessors for time immemorial have as well. You can continue to talk up the value of this report and the veracity of it. I'll continue to tell you that I'll look at the information that's been tabled today and I'm happy to, at the next estimates, perhaps revisit it. There are examples right across the country of issues with regeneration, because of one issue or another. There's one down in the Tamar Valley—I'd love to take you to—where a regen burn wasn't conducted, and in the middle of a World Heritage wilderness area we have a great big gravel pit. That was managed by a group called Environment Tasmania who got a grant to do it. They went against the standard practice for managing forests and creating a regenerative environment.

Senator RICE: Minister, with due respect, we are looking particularly here at forest that is managed by the state government of Victoria, in a system accredited by the Commonwealth government. I look forward to your assessment of it. If you did find out that what is documented here is valid, is legitimate and is resulting in this level of failure of regeneration, would the Commonwealth consider withdrawing its accreditation of the Victorian forest management systems that have led to this?

Senator Duniam: I'll tell you what we would do. We would seek a 'please explain'. I know the secretary has written to his counterpart previously with regard to matters—

Senator RICE: I've asked for a copy of the response that you got from the Victorian government.

Ms Campbell: We are endeavouring to get you that letter and, hopefully, we can have that for you very soon. My team advise me we were flagged yesterday that we are having an annual meeting, which is one of the structures under the Victorian RFA. We have that meeting next month, and we have written to the Victorians and advised that we want details about this report and the allegations in that. So, hopefully, we'll have more information.

Senator RICE: When's that meeting, please?

Ms Campbell: In March. I don't have the specific date with me.

Senator RICE: Can I just finish off. In fact, I've got two more bits related to this and related to my question on notice as to whether there was an emissions reduction methodology for avoided logging. You confirmed in response to my question on notice that there isn't. If we've got regeneration failing in a third of the native forests that are logged, and we've got—when you're logging an old forest, you are removing soil carbon; you are replacing carbon stores in an old forest with new trees. Wouldn't you agree that it's highly likely that avoiding logging would be carbon positive? In fact, there's a lot of scientific research to back that up.

Ms Campbell: I think that's a question for the Clean Energy Regulator, who are the experts in assessing carbon—

Senator RICE: So this department that oversees logging has no view as to whether anything to do with the value for storing carbon, carbon sequestration, avoided carbon emissions—you have no view at all. It's the Clean Energy Regulator.

Ms Campbell: They will look at the detail of carbon in Australia. We note the UN report that flags the value of degenerative logging and the potential carbon—

Senator RICE: That was the 2007 IPCC report. We've had a number of IPCC reports since then. They have not continued to make that statement.

Senator Duniam: Have they contradicted that, specifically?

Senator RICE: They have not continued to make that statement.

Senator Duniam: No, which is different to ruling it out.

Senator RICE: I presume the Clean Energy Regulator would work with your department on the terms of that assessment and emissions reduction methodologies.

Ms Campbell: The Clean Energy Regulator has a process for determining which assessments they prioritise and look at. I don't have the detail of that. My understanding is that avoided deforestation is not on their current work plan.

Senator RICE: And you haven't made any approaches to them as to whether avoiding native forest logging would be an appropriate thing to determine a methodology on?

Ms Campbell: We are not working with them on the detail of that method.

Senator RICE: Minister, the Victorian government is, reportedly, today releasing a revised code of practice for forest management that's expected to weaken the code, removing or modifying the precautionary principle. Has the Commonwealth had any discussions with Victoria about their review of their code of forest practice?

Ms Campbell: We have certainly had discussions about the review of the code. I'll have to check with my team if we've seen the latest version formally. I don't think we've been consulted on the formal update of the code, at this time, but we expect them to inform it, as is their obligation under the RFA.

Senator RICE: Does the government have any view on the removal of the precautionary principle as part of the code and the appropriateness of doing that?

Ms Campbell: I haven't seen the final code. I'd need to look at that to take that into the full context.

Senator RICE: I note the *Threatened species and communities risk assessment*, which was undertaken after the RFAs were renewed, states:

The precautionary principle is a free-standing and overarching obligation within the Code, which must be considered when there is a threat of serious or irreversible environmental damage and substantial scientific uncertainty as to the environmental damage. In this sense, the Precautionary Principle serves as an additional, overarching protection which may, in some cases, require undertaking management actions ...

That review was quite strongly in support of the code. They also note:

... the Code of Practice for Timber Production includes standards and prescriptions to address many of the impacts of timber harvesting. However, the measures are not necessarily sufficiently comprehensive or effective to manage all risks.

I'd be interested in your thoughts about the appropriateness of retaining the precautionary principle within the code.

Ms Deininger: I think we really need, as Ms Campbell said, to look at the Victorian proposal or the Victorian code that they're releasing today before we can provide any comment. Otherwise, we might inadvertently provide incorrect information to the committee.

Ms Campbell: My team has confirmed that we haven't seen it.

Senator RICE: You haven't had any input whatsoever into the revision of the code?

Ms Campbell: No.

Senator RICE: Despite the fact that the code is an absolutely essential part of their forest management system, and it's clearly failing, as this regeneration report is showing.

Ms Campbell: The RFA requires that Victoria inform us of changes. We expect to be informed once they've done the code, and we will look at that.

Senator RICE: My final question is following up on my question on notice from last estimates about the risk assessment that was undertaken for threatened species, which was a core part of the renewed RFAs. I asked for the details of that risk assessment beyond what was in the threatened species and communities report. You just referred me back to that threatened species and communities report, with no more about the details of that risk assessment. Is there a reason why you did that?

Ms Campbell: I don't have the details. That's information that Victoria has provided to me.

Senator RICE: But in terms of my question on notice, why did you just refer me back to the report? It was very circular, because that was the report that I was referring to in my questions in last estimates. In appendix 2 of that report, they refer to the risk-assessment process. Essentially, what I would like to have are the details of that risk-assessment process for every threatened species present in forests in the RFAs.

Ms Campbell: We can certainly ask Victoria for that specific answer. Again, the risk assessment that we referred you to in the question on notice is what Victoria provided to us.

Senator RICE: So you haven't got the details of that risk assessment?

Ms Campbell: No.

Senator RICE: It goes to my question that I asked you yesterday. Under that risk-assessment process, they deemed that the measures that were in place to protect wallows and Leadbeater's Possums were satisfactory and came out of that risk-assessment process. Could you ask Victoria for that risk-assessment process—for yourself as much as for us? I think it might be of particular value.

Ms Campbell: Certainly. To clarify one of my previous answers, it was the assistant minister who signed the Victorian RFA extension.

Senator RICE: So it was you?

Senator Duniam: It was me. Proudly.

Senator MIRABELLA: The question I was set to ask has been addressed by Senator Rice. I'm going to make a comment first. I haven't read the report that we've all just received a copy of. I have a couple of comments on

that without even reading it. I do not have a very high opinion of reports produced by the VNPA or related organisations, and I'm a former member of the VNPA—a long time ago. Well-meaning environmental action has resulted in some pretty poor outcomes, pushed by organisations like that over the years. Most particularly, over the last 20 years, was the explosion of feral deer in Victoria. In most people's view, in my part of the world, this was a direct consequence of the removal of cattle from the high country. It's a very contentious issue, but it is a fact that feral deer is probably the single largest invasive pest species that we're dealing with in my part of the world. That's an environmental outcome that had an unintended consequence.

I am not familiar with all the areas referred to. I've just had a quick look at this ABC report. Toolangi I know well. I don't think that was an old-growth forest. Without going there to check it out, I'm assuming there would have been a lot of harvesting there from Black Saturday affected areas, which means that it's perfectly natural for a lot of black wattle to—I agree with you, Senator Rice, on many things, but if it's the case that there has been a failure of these regeneration processes—and this is where you pre-empted me in the end—then this is a grievous failure on the part of the Victorian department, is it not?

Senator Duniam: Forestry management on the ground is a matter for the relevant state or territory agency—in this case, based on the report and what's purported to have happened on the ground, VicForests. I'd want to check everything that is in that report because I believe sustainable native forestry is a part of our forestry future. That's a fundamental view I have. If it's not being done properly, like any industry, we've got to make sure it is brought up to scratch. If there are proper, well-founded claims based on science and fact, then, sure, let's act on it. But we have to be careful because sometimes these things can be mixed in with a good dollop of emotion and we get carried away, and it's used and weaponised to try and attack an entire industry and result in mass shutdowns. That's what I want to avoid. We're going to do it methodically. I'm going to check this report out and see what it says and whether it is in fact based on fact and science. If there are areas for improvement, then I really look forward to working with Victorian minister Mary-Anne Thomas in ensuring we improve what needs to be improved. But hopefully I'm wrong, hopefully Senator Rice is wrong, and there is no scope for improvement, it's all perfect. I'm an optimist!

Senator CICCONE: I'll finish what Senator Rice mentioned with the Leadbeater's possum. Where's that case up to? Was there an appeal to the High Court?

Ms Campbell: The Friends of Leadbeater's Possum sought special leave to appeal, and that was declined by the High Court, so the case is closed.

Senator CICCONE: Right, so that's the end of that matter. At last year's October estimates I think Senator Sterle, who's obviously not here today, asked DAWE a couple of questions about timber shortages. One of the questions he asked Mr Metcalfe was, 'Do you agree we have a timber shortage here?' to which Mr Metcalfe said, 'We do; we have to import timber.' Mr Metcalfe, you did acknowledge with Senator Sterle last time we had estimates that there is a shortage of timber in Australia and we have to import quite a bit of timber from overseas. I want to gauge from the department what that shortage is at the moment. Do you have a sense of how much the shortage is?

Ms Campbell: In terms of the 2021 figures, we export \$2.7 billion worth of timber in its dollar value and we import \$5.4 billion, so we are a net importer of timber.

Senator CICCONE: How much quantity is that—not dollar figures? You do acknowledge there is a shortage of timber—correct?

Mr Metcalfe: We probably need to check whether we've got a record of that cubic meterage, or however it is measured. I suspect there are probably different types of timber and timber products that are incorporated in that.

Senator CICCONE: But do you agree we are experiencing a shortage of timber?

Mr Metcalfe: We agree that we're a net importer of timber. It's well documented, I think, that there is a shortage of timber for many uses right across the Australian economy, which has impacts right through the building industry and whatever.

Senator CICCONE: If you're able to come back to me on how much is actually being imported in cubic metres, that would be good. Can I also ask: where is the timber being sourced from?

Mr Metcalfe: We'll take that on notice.

Ms Campbell: There's a range of countries that we work closely with in the region and New Zealand, but we can take the detail—

Senator CICCONE: If you could also provide how much is coming from each of those countries, that would be great.

Ms Campbell: We will try to do that.

Senator CICCONE: Thank you. Has the department undertaken any modelling recently to ascertain the severity of our shortage?

Ms Campbell: Yes. We have looked at models about timber availability and shortage.

Senator CICCONE: Is this an ABARES related question?

Mr Metcalfe: Yes. We'll ask Dr Greenville to come and join us.

Senator CICCONE: Very good.

Mr Metcalfe: We are very fortunate in having economic and scientific modelling capability in the department. ABARES provides an enormous amount of factual information for decision-making. I've been thanking lots of departmental staff today, but I'd like to acknowledge the work ABARES does as well.

Senator CICCONE: They do an excellent job.

Dr Greenville: Thank you, Secretary. Yes, we have looked at some of the dynamics of timber supply recently. So, as to some of the impacts that we're seeing in today's market, there's obviously a range of demand driven factors that are driving up demand for timber beyond the usual, as we're seeing in the construction industry and the like, which are really taking off. The other aspect has been bushfires. We've noted that there's been a reduction in the supply of timber. What it really has done is change the profile of supply through time. So we're still expecting some similar levels of supply to occur over the long run, but the recent bushfires have taken out an amount of the supply that would have occurred over the shorter run. You asked the question: do we have a shortage of timber? It really depends on the timescale that you're looking at. Over the longer run, the industry is set to maintain its current levels of supply.

Senator CICCONE: Okay. Give me the figure for the short term.

Dr Greenville: In the short term we certainly have a lot less timber than we would have done if it weren't for those bushfires.

Senator CICCONE: And the impact on construction and housing—what's your assessment?

Dr Greenville: We haven't done that downstream assessment on the sector.

Senator CICCONE: That's not something you would normally do?

Dr Greenville: No. We normally maintain our focus on the primary production sectors rather than the downstream sectors.

Ms Deininger: It might be something that the Treasury might be able to assist you with.

Senator CICCONE: I'm just intrigued to know what the department's doing to monitor the level of the shortage. We hear that the impact is going to slow down the number of dwellings that will be built on time. Is that not work that the department does as part of its modelling or assessments?

Mr Metcalfe: As Dr Greenville said, we're focused on the primary production elements. The downstream impacts would usually come into the relevant portfolios, the Industry or Treasury portfolios.

Ms Deininger: And we have—

Senator CICCONE: What solutions is government considering to address the shortage?

Ms Deininger: I was going to say that there are a number of initiatives, including, most recently, an assistance program to take timber that was burnt off Kangaroo Island, bring it to the mainland and have it processed in South Australia, New South Wales or Victoria. There are a range of measures that the government implemented post the bushfires, including to adapt the milling capacity so that mills can mill a broader range of timbers. Certainly, the government has done a number of things that, in the short term, are designed to try and assist. But, as we've discussed in this committee, other things, for example access to the Emissions Reduction Fund and so on, are longer-term initiatives that will help the industry.

Senator CICCONE: Are there any initiatives to encourage farmers to plant trees on their farms?

Ms Deininger: My colleagues were discussing the other programs before. The biodiversity and carbon credit programs are designed to encourage different arrangements. I'm happy for them to speak to those. I don't have the detail.

Senator CICCONE: Is there anything specific about farmers planting more trees on their farms?

Ms Deininger: That's—

Senator CICCONE: I wasn't in room earlier.

Ms Deininger: That's for our colleagues in the Climate Adaptation and Resilience Division.

Senator CICCONE: Can I turn—and forgive me if this is for another area—to the \$300 million Clean Energy Finance Corporation's Timber Building Program. Am I able to ask questions about that here?

Ms Deininger: No, that would be for the Clean Energy Regulator.

Senator CICCONE: Alright. I guess my main questions were about whether the department can confirm if funding is coming from the Agriculture budget or not.

Ms Campbell: It's not coming from the Agriculture budget. It's from an Industry department, the clean energy—

Senator CICCONE: The agency's? Okay. And you don't do any analysis to ascertain how many jobs might be created as a result of that?

Ms Campbell: Again, it's that department's program. We'll work with them in the implementation to make sure that there are synergies, but we're not directly involved in that kind of analysis.

Senator CICCONE: The Regional Investment Corporation's Plantation Loan program? Can I ask a few here?

Ms Campbell: Yes, you can.

Senator CICCONE: In terms of the loan program, it's part of the 2021-22 budget. The government committed \$37.5 million of the existing RIC loan funding to the program. I understand the RIC was also provided with an additional \$0.8 million to administer the loans. Has all this funding been expended?

Ms Campbell: The 0.8? My recollection—and I'll just double-check—is that it was over three years, so it wouldn't all have been expended.

Ms Deininger: In terms of the available funding for lines, that's a matter for the RIC to make decisions about.

Ms Campbell: It was 0.8 in 2021-22. They've been provided to administer the loans. Effectively, that goes to them. I expect it wouldn't all have been expended, because the financial year hasn't finished.

Senator CICCONE: When the RIC's loan program was launched in December last year, how much of the funding was allocated to it? Can you provide a total, and also what has been allocated across the forwards? Maybe take that on notice.

Ms Deininger: We can take that on notice.

Ms Campbell: We'll take that on notice.

Senator CICCONE: How many eligible businesses have applied for loans through this program since it was launched?

Ms Campbell: My understanding is that there has been some interest. Questions about details on that need to go to the RIC—the RIC can answer those questions.

Senator CICCONE: Okay. Is it for the department or the RIC to provide a breakdown of the value of the loans to date?

Ms Campbell: That would be for the RIC.

Senator CICCONE: Do you know how many trees have been replanted in bushfire damaged areas?

Ms Campbell: In general?

Senator CICCONE: As a part of this loan program. Also, do you have broader global statistics on that point?

Ms Campbell: The RIC would have to answer the questions, but in terms of global statistics it's probably easier—

Senator CICCONE: My main interest, obviously, is around the recent bushfires in Victoria, in Gippsland. Do you have any stats on how many trees have been replanted or planted?

Ms Campbell: We have certainly worked with Victoria on the replanting, but I'll take the number on notice.

Senator CICCONE: Okay.

Ms Deininger: I'll just add that before replanting can occur there needs to be a lot of clearing and other activities there.

Senator CICCONE: Of course.

Ms Deininger: It's not an immediate activity, but we'll check on what data might be available.

Senator CICCONE: It would be great if you could take that on notice as well. I have a few other questions, although they might be more for ABARES. ABARES reported on Australia's commercial plantation area in 2019-

20; I think there were 1.7 million hectares and that there was 10 per cent less area than the area recorded in 2014-15. What are the plans to turn the decline around and actually plant a billion additional trees? There were some figures provided some years ago and I want to know about them. I think there's been a decline in how many trees have been planted—that's part of some reporting I've seen from ABARES.

Ms Deininger: There's a range of initiatives, and we've touched on some of them before, where the government has sought to support the plantation sector. This includes through access to the carbon credits and the Emissions Reduction Fund; through use of the Regional Forestry Hubs; and through the NIFPI—the innovation centres. These are all designed to build capacity and to build the attractiveness of forestry plantations, to help the sector to grow.

Ms Campbell: That's in recognition that the plantation sector had stalled for a number of years. These measures are in place and they're what industry is asking for in supporting what they need to grow and to address some of the barriers to growth. In many ways, that's about the stream of capital in a long-term investment. We're continuing to work with industry about what they need to support that growth.

Senator CICCONE: Is it the case that around \$500 million was announced by the government ahead of the last election—a concessional loan?

Ms Campbell: The government initially flagged half a billion dollars for the plantation loans.

Senator CICCONE: Do you know how much of it has been utilised?

Ms Campbell: At the request of industry, the government pivoted and worked to support sustainability after the bushfires and through COVID. Then the loans were announced, as you flagged earlier, late last year. That was the initial \$37 million.

Senator CICCONE: So not a lot of this money has been utilised from the announcement of last year?

Ms Campbell: That's correct.

Ms Deininger: I think the point that we would make is that it's available to industry and the market and industry will make a decision about whether to utilise that funding, through the RIC or other sources.

Senator CICCONE: But it's almost been three years since we actually put money on the table.

Ms Campbell: Again, that was because industry asked us to prioritise significant investment and focus on bushfire recovery and COVID, both of which were quite large hits to the forestry industry.

Senator CICCONE: When was the last time the Forest Industry Advisory Council met?

Ms Campbell: I'll have to take the specifics on notice. I think it was in September-ish last year, from memory.

Senator Duniam: It was later than that.

Senator CICCONE: Can we get someone to check?

Senator Duniam: We can take that on notice.

Senator CICCONE: If there's someone here that is able to check in the meantime, that would be great.

Senator Duniam: Yes.

Senator CICCONE: Is there a work agenda? What's the program of the council? It doesn't seem like it's been meeting regularly.

Ms Campbell: The council continues to meet to provide advice. They've been working on measures to support the growth of forest industry and the forestry industry plan, and we're talking to them about carbon sequestration. We could probably table the priorities in the agenda.

Senator CICCONE: Yes, if you could.

Ms Campbell: We'll take that on notice.

Senator CICCONE: Are you able to advise what the remuneration of the chair of the council is?

Ms Campbell: I'll have to take that on notice. I might be able to answer later in the hearing; I'm sure people will let me know.

Senator CICCONE: When is the next meeting scheduled?

Ms Campbell: Again, I'll have to take that on notice. I'm not sure we have a set date.

Senator CICCONE: Is it the case that it has to meet at least twice a year, as per the legislation?

Ms Campbell: That's my understanding, yes.

Senator CICCONE: Is it meeting that requirement?

Ms Campbell: It certainly did last year.

Senator CICCONE: Are you able to tell me the dates that it met last year?

Ms Campbell: Yes.

Senator CICCONE: I don't know if you're able to provide the committee with other documentation, like the agenda, minutes or other relevant paperwork, that's part of those meetings.

Ms Campbell: Yes.

Senator CICCONE: How much Commonwealth funding has gone to the hubs?

Ms Deininger: I think it's \$9.223 million.

Ms Campbell: Yes. \$9.2 million was provided originally, and then, in MYEFO, a further \$10.6 million was announced.

Senator CICCONE: What amount of the hub funding goes to employment costs?

Ms Campbell: I don't know that we have the detail. The funding is provided for the hubs. I would expect a lot of that would be to employ staff and to keep the hubs running. We can see if we've got detail on that.

Senator CICCONE: Is the work of the hubs—like the reports that they commission, for example—all publicly available?

Ms Campbell: I don't know the detail of that, but we can certainly provide information if it's not.

Senator CICCONE: What are the government arrangements or requirements for these hubs? What's the governance structure?

Ms Campbell: The department provides funding through the hubs. They have boards appointed, and a CEO, and they work across their work plans, which they submit to us. We can provide more detail on the governance.

Senator CICCONE: I have a few other questions. How much money has the Commonwealth committed to the National Institute for Forest Products Innovation?

Ms Campbell: We have three NIFPI centres underway at the moment. The government has provided \$12 million to support initial funding for Mount Gambier, Launceston and Gippsland NIFPIs, and the 2021-22 MYEFO provided \$3.1 million to extend those NIFPIs until 30 June 2023.

Senator CICCONE: Like last time—you might want to take this on notice—is there any funding or amount that's gone to employment costs?

Ms Campbell: If we can, I will provide that.

Senator CICCONE: And what are the governance arrangements for these centres? It's Mount Gambier, Launceston and Gippsland; is that right?

Ms Campbell: That's correct.

Senator CICCONE: Are you also able to provide information around those governance arrangements?

Ms Campbell: Yes, we can do that.

Senator CICCONE: How are projects chosen?

Ms Campbell: We'll take the detail of that on notice.

Senator BILYK: There was \$2 million of funding allocated to Tasmanian Special Species Management Plan 2017. Are you able to confirm for me how much of that \$2 million has been expended?

Ms Campbell: I will have to take that on notice.

Senator BILYK: I will presume that what's been expended will leave how much funding remains, but, if there's been any other funding or whatever allocated, can you give me a response to that as well? I'm sure Senator Duniam—Minister—what are you, Jonno! That's the trouble: when we're not in the building, you are just Jonno. But I'm sure he would be interested.

Senator Duniam: We will take all of that on notice, and I equally have interest in that.

Senator BILYK: That's exactly what I just said! Thanks.

CHAIR: Senator Patrick.

Senator PATRICK: I always liked Tasmanians. They're in a similar situation to South Australia: having the eastern states dominate and often working to disadvantage.

Senator Duniam: Are there any Western Australians here!

Senator PATRICK: Firstly, to the minister: thank you very much for your assistance on the transport assistance.

Senator Duniam: And thank you for your advocacy. I think back home it's certainly been well received.

Senator PATRICK: That's almost where my thanks are going to stop today; I just wanted to get that out of the way!

Senator Duniam: Sure. Couldn't you have saved that for the end!

Senator PATRICK: I did notice that Senator Birmingham was in Finance suggesting he looked like you. I don't know what that means. Go and read the transcript.

I want to go to the billion trees program. Who's in charge of that? Who's the person we talk to?

Ms Campbell: We can try.

Senator PATRICK: Have you got any agreements with the states regarding access to land or access to water for the program to proceed as planned?

Ms Campbell: The billion trees policy is about getting the settings right for industry and for states and territories. The Commonwealth government doesn't have the access to the land or the water. We're not tree planters; it's a policy settings element. In terms of water availability, I'd point to the Emissions Reduction Fund, the water rule and the regions that have access to water. Six of those have been announced and a further four are under consideration. But, in terms of land, no; that's a matter for the states.

Senator PATRICK: Actually, no, I'm not going to let you get away with this. This is a Commonwealth initiated program. It's a promise made by the government. They're committing money to it. Have we got an update on the number of trees that have been planted? The last update was on 28 May in response to Senator McKenzie's question. I think that at that point 2,800 hectares had been planted for 2018-19. Have there been any improvements on that since that time?

Ms Deininger: I think it was 1,500 in 2019-20. There are a number foreshadowed by different states and territories that I'm happy to share with you given their interest and responsibilities in forestry. For example, we understand from the Forestry Corporation of New South Wales that it would plant approximately 14 million plantation seedlings throughout New South Wales. In Victoria the reseeded of forest has been undertaken over 11½ thousand hectares and they've established a \$110 million Gippsland plantation investment program.

Senator PATRICK: We're mixing units here. I can work with millions of trees or with hectares.

Ms Deininger: Some of these announcements by the states are not necessarily in relation to individual trees, although the Green Triangle Forest Industries Hub had a plan for 200 million trees by 2030. The point I'm making is that, across a number of jurisdictions, there are investment plans to build the forestry sector.

Senator PATRICK: Okay, but, at the end of the day, we've got 2,800 hectares and an additional 1,500 hectares that are the actual amount achieved to date. This is five years into this program.

Ms Deininger: That is not including the plantations that might have been planted post the bushfires. I think we've discussed this.

Senator PATRICK: Sure. So there are 4,300 hectares. That's 4.3 million trees. I'm looking at your brochure. It said that you intended to plant 70 million trees per annum. That was the promise. I'm happy to look at the minister in relation to this if you think it's a political promise, but I'm just going off what the government announced, and presumably your department is responsible for carriage of that program.

Senator Duniam: We have a goal. It's a goal I'm convinced—in fact certain—we will deliver by the said date. Now, if anyone was under the misapprehension that, when a goal is announced, you just run out into the nearest open paddock and start planting trees, they're mistaken.

Senator PATRICK: Those are not my words, Minister.

Senator Duniam: No, they are not your words; they're mine.

Senator PATRICK: The 70 million is in your brochure. It's not a brochure written by the Greens. It's by the government.

Senator Duniam: In acknowledging what you just said, I also make the point that Ms Deininger has actually quite articulately outlined that there are a number of things you have to do in order to be in a position to start getting those trees in the ground. Now, in our national forest industries plan, which is probably the document you're referring to—

Senator PATRICK: It's *Growing a better Australia: a billion trees for jobs and growth*.

Senator Duniam: Yes. There's a subsequent document you also may have seen: the National forest industries plan implementation of commitment, from September of last year. That goes to all the things we committed, including the tangible or policy settings arrangements that needed to be addressed at the request of industry and under their guidance in order to get us on the road to getting our billion trees. If you look through that document, you'll see that all of those items that have been delivered or are almost delivered. That speaks to the fact that, as soon as a goal is announced, we're not suddenly at peak capacity.

Senator PATRICK: I understand that.

Senator Duniam: I think we need to remember this in answering these questions. It's like starting a car: you're not suddenly doing 100 kilometres an hour; you get up to speed. There have been changes like those to the water rule, made most recently at the end of last year. We had the Australian Forest Product Association saying the change we made in October last year could unlock up to 100 million trees in three forestry regions alone.

Senator PATRICK: I know this is problematic for you, but I've got an engineering background. When you say, 'I'm going to plant a billion trees,' I expect milestones along the way that get you to the billion trees. This is a department that is supposed to get 450 gigalitres to South Australia and the Murray-Darling. We've got two. This is the department that was supposed to get us \$20 million of Indigenous water funding, and we got zero. Now we've got a billion-trees program that's given us 4.8 million trees. That's the measure by which I go. I know that trees take a long time to grow—

Senator Duniam: Yes, 30 years in some cases.

Senator PATRICK: and I accept that. I'm not asking for grown trees, just those that are planted, because that's an essential part of getting to this point. You say this is a goal, but the language used in the announcement was saying, 'We need to get these trees in order to meet demand.'

Senator Duniam: It is all the more reason to reach that goal—which we will reach.

Senator PATRICK: Let's skip to 2028, which is not that far away.

Senator Duniam: Five years.

Senator PATRICK: Are you saying you will hit the billion trees planted—not grown but planted—within that time period?

Senator Duniam: With the policy settings we're putting in place, as guided by industry, the people who are actually the ones putting the money behind these trees going into the ground, I believe we will.

Senator PATRICK: Okay. You've clearly got a plan, Ms Campbell, that lays out how you're going to achieve this. Can you provide that to the committee so it gives us an indication of where we're going to get to the point where the minister is able to say, 'I can deliver these trees by 2028'? You've got a plan that does that?

Ms Campbell: I think you refer to the plan which identified a number of actions such as setting the hubs and setting the NIFPI, and those things have been delivered. I think government has recognised that those haven't delivered everything that they wanted to achieve, and so there have been further measures announced—for example, plantation loans, significant support for fire and construction softwood programs. We will continue to work through that with government.

Senator PATRICK: I go back to my question. Maybe I will get it down to microdetails. Do you have Microsoft Project somewhere in your office or some sort of project software that tracks tasks and milestones and as a function of time? It is very basic stuff.

Ms Deininger: Do we have project management software?

Senator PATRICK: Yes.

Ms Deininger: In relation to this or generally?

Senator PATRICK: Just generally.

Ms Deininger: Yes, we manage projects.

Senator PATRICK: I understand you manage projects. Your answer is, yes, you have project management software?

Ms Deininger: Yes.

Senator PATRICK: Have you applied that software to this problem? Is there a Gantt chart that maps out getting from where we are now to where the minister says we're going to be in 2028?

Ms Deininger: One of the things that we discussed earlier is that one of the things the Commonwealth is doing, and they're the sorts of programs that Ms Campbell and I talked about, is setting the foundations, because it is the state governments or industry who are making funding and resource allocation decisions. Once those decisions have been made and announced, then, as I mentioned, there are some things that we can flag, but we can't anticipate now what the New South Wales government might do in 2028, because that's a matter for the New South Wales government.

Senator PATRICK: Fail to plan equals plan to fail. That's the deal. I don't think it's unreasonable. I think we've had this discussion before. There must be a discipline inside departments that says, 'Here's a program, here's some funding, here's a time frame and here's the performance criteria. How do we get from where we are now to where we are going?' What I'm hearing is that no-one can give me a plan. No-one can give me a plan.

Mr Metcalfe: The frustration you have is there are some areas in which we have direct control, so in relation to biosecurity at the border—

Senator PATRICK: That's no different to any project in the sector, as you know—

Mr Metcalfe: In relation to certain exports we run the show. We have the people. We do that. A lot of our role, though, as the Commonwealth department, is a national leadership role and a funding role in which we enable things to happen. We let other people get on and do it. It's their role to actually do it. We provide the environment, we provide the incentives, we try and help them lead—anything from animal welfare across to this sort of issue. It's very hard for us to have a plan about certain things being done when there are multiple other players who have to respond to those signals—

Senator PATRICK: Respectfully, I was a project manager—and you know that—and on any project you will have some item that you subcontract out. You are not in control of it. You just say—

Mr Metcalfe: You've contracted though—

Senator PATRICK: 'I recognise that's a part of the job to get me to the end. I might not have all of the control that I might need over it,' but in some sense, it's important to track that to be able to say, 'Well, actually, we're not achieving that. What are the things we have to do to—

Mr Metcalfe: I think what the minister described before was the update on the plan that's only a few months old and provides a very clear indication as to what the Commonwealth is doing to create the enabling environment to allow others to get on and do what they say they want to do—the industry, the states et cetera. I'm saying that that's a different type of project than the one where you have direct control or where you are responsible for contracted performance of others. So building the *Nuyina* was an absolute issue for us. We contracted out elements to Damen and others. They built the ship but it was our control. This type of issue in a federation, dare I say it like water, is where ultimately the Commonwealth role is leadership, standards—and the funding is a major contribution—

Senator PATRICK: My problem is that I have a minister there that says, 'I know I can get there,' but clearly he doesn't know how he is going to do it, because you can't tell him.

Mr Metcalfe: No. What I'm saying is we don't have the detailed Gantt chart, but the minister has satisfied himself, he's released a plan, he's been out there, he's spoken with people, he listens to the industry and he's prepared to say we will get there.

Senator PATRICK: I'm wondering what I'm going to wager with you, Senator, that you will not achieve this, because I know you can't achieve it if you haven't got a plan.

Senator Duniam: I have faith in the industry—

Senator PATRICK: This is a government led program that involves—

Senator Duniam: Of course it is, and we will provide government led leadership. We will provide leadership. But through a number of the initiatives we've already talked about, including changes to the—

Senator PATRICK: Let's go to the expenditure. You have planned expenditure of \$4.6 million. That's increased to \$5.87 million. What was the cause of that adjustment for this program?

Ms Deininger: What was that in relation to?

Senator PATRICK: In relation to this program there was an underspend last year. This year against the line item in the budget—it had been \$4.6 million but that's been increased to \$5.87.

Ms Campbell: Without clearly knowing what you're talking about, we did have some underspends last year. There were delays because of COVID, for example. Some funding was rolled over. There's been movement of funds of that funding. There was also some significant money to back the objective of the plan announced in

MYEFO. That's for a range of things which I talked about earlier—for example, the extension of the NIFPI, the extension of the Regional Forest Hubs.

Senator PATRICK: I might have to get the PBS. The other thing I noted was that there are no numbers in the forward estimates for this program. Have I got that wrong? Is that just—

Ms Campbell: I talked about the extension of the hubs to 2023 and the extension of the NIFPIs to 2023, and those measures are in place, but further beyond that is a matter for government.

Senator PATRICK: It's not unusual to have this year's expenditure plus four more. That's normal.

Ms Campbell: And it's not unusual to have a shorter time frame while government considers other options.

Senator PATRICK: What other options are you considering? Does this mean you're going to abandon this program?

Senator Duniam: No, far from it as a matter of fact. I think you'll be very excited about some of the things that I'm sure will be said between now and election day around our support for the forest industry.

Senator PATRICK: The problem is that you make announcements and then you don't deliver them. They're hollow, really.

Senator Duniam: You mustn't have read our implementation plan. You'd better have a closer look. There's a lot of delivery there.

Senator PATRICK: I want to see trees. That's the measure that I go on.

Senator Duniam: Senator Patrick, you wanted to wager with me before. How about you come out on the road with me—

Senator PATRICK: That's the measure that industry are going to go off when they get to 2028 and they haven't got enough trees. That's what the measure is going to be.

Senator Duniam: and talk to the industry about what they need from us to achieve this goal. I'd love for you to come out on the road with me.

Senator PATRICK: I don't know about you. You might measure things in terms of the announcements. Fine. I measure things in terms of output and result, where Commonwealth money is being spent, where there's a need that's been identified by government, and you're not on the pathway to achieving it.

Senator Duniam: You say that, Senator Patrick. If you stop for one moment and listen to me, you will understand that we will provide leadership; industry will go where they need to go, and we are providing everything they have asked for. That's why I'm convinced, in fact certain, we can reach that goal. Government doesn't do everything. We have this thing called the private sector. You'd be familiar with it. They're the ones who are going to achieve the goal, with government support, through the initiatives we have already talked about in our plan.

Senator PATRICK: I can go back to a committee report conducted by this committee back in 2005, which suggested that the challenges were going to include land availability—the very thing that you can't seem to deal with at this point in time.

Senator Duniam: Okay, I've got an answer to that.

Senator PATRICK: Good.

Senator Duniam: Let me tell you about that. We were talking about this in answer to either Senator Rice's or Senator Ciccone's questions. Private land users make a decision before they sink 100 hectares of trees into the ground, which will lock up that land for the next 15 to 30 years, about whether that is the best investment. One of the shortcomings has been whether they can get an ongoing revenue on the way through, not just at harvest time.

Senator PATRICK: Sure.

Senator Duniam: The carbon methodology changes that have recently been announced by the Clean Energy Regulator are one of those things industry has asked for. I know now there are businesses out there—the large foresters and farmers—who are interested in taking that up. This is what we are talking about—getting the settings right so those people can make that decision to put the trees in the ground. That's how we deal with land availability. We don't out there and buy it and hand it on to the farmer. They're the things that a federal government can do.

Senator PATRICK: Why has it taken so long to get to this point? We're four years into this program.

Senator Duniam: The Clean Energy Regulator went through a fairly comprehensive consultation process on getting this complex area of policy resolved, working with industry. That sort of thing doesn't happen overnight. Industry have welcomed it, and they are going to act on it. That's why I'm convinced that we will get to our goal.

Senator PATRICK: Timber is a part of manufacturing. The timber industry is an example of an industry where you grow the raw materials and then it goes all the way through to processing. I'm just wondering why the timber industry wasn't included in the Modern Manufacturing Strategy. Was it talked about?

Ms Deininger: You'd have to raise that with the department of industry. They're responsible for the Modern Manufacturing Strategy.

Senator PATRICK: No, you guys are in charge of timber and you're part of the industry, and you sit there—it's almost like you're not connected to the industry that you're supposed to be supporting. You're all well paid. You have all got oversight and the ability to look into things and make inquiries. The fact that you're funding hubs and you have no idea what they're doing—that alarms me.

Senator Duniam: I don't think that's a fair characterisation.

Senator PATRICK: That was the answer I heard coming back after a question from Senator Ciccone.

Senator Duniam: I don't think Ms Campbell said we've got no idea what they're doing. If you want detailed answers, we will provide those on notice.

Senator PATRICK: You know what? If I were running that program, I would have the detail. That's the reality of the situation.

Senator Duniam: I'm sure if that were the only program that Ms Campbell was running, she'd be able to run through every—

Senator PATRICK: I understand you might have a hierarchy—and I don't mean this in a disrespectful way—because as you get higher in the chain you deal with more strategic issues, but maybe we need people who are responsible in your organisation looking after some of these things. Maybe that's the solution to this, so we don't get here and have these answers like, 'Oh, I'll have to take that on notice.' 'I'll look at that.' 'We'll look at the detail.'

Senator Duniam: The officers do their very best, and they are some of the best I've ever worked with in my 20 years of involvement with the Commonwealth parliament.

Senator PATRICK: This is a department that has not delivered for 50. It didn't deliver the \$20 million of Indigenous water—didn't even start to deliver that.

Senator Duniam: And it will deliver on a billion trees, I can assure you.

Senator PATRICK: I don't believe that.

Senator Duniam: Well, catch you in 2028!

CHAIR: Senator Patrick, that brings us to the end of that line of questioning.

Senator PATRICK: Can I just ask some statistical questions, and maybe ABS can help me out? Dr Greenville, you were talking about some of the statistics and about there being a shortage in the market. Are you able to quantify that at all?

Dr Greenville: Yes, I can provide some details on the differences between what we initially looked at in our previous survey, which occurred in 2014-15, I think, five years before, then we updated it recently. This is for various types of timber in terms of supply and quantity in thousands of cubic metres. In 2015 we had a cumulative supply over the period 2020-59 of around 35,500 cubic metres. For our most recent estimate, it's up at 37,390 cubic metres, so it's about five per cent more.

Senator PATRICK: So that's a supply to the market from international and domestic?

Dr Greenville: No, purely out of our plantation estate.

Senator PATRICK: Yes, okay.

Dr Greenville: So that's a cumulative picture, but what we've seen is that supply shift towards the back end of that period, as opposed to being more evenly spread, because of the changes in the plantation estate caused by bushfires. We get a similar picture across our different ones like softwood and sawlog; the change is only an increase of about one per cent. What we're seeing is a fall in hardwood pulp log of about three per cent but an increase in hardwood sawlog of 15 per cent. The hardwood estate is falling and expected to fall over time, but the supply is not impacted much at all because of that fall because it's taken out areas which were less productive.

Senator PATRICK: So this might be a function of this being all you do, but you're talking about the supply to the market as opposed to the shortfall?

Dr Greenville: Yes. From a market perspective, shortfall is very hard to measure, and we discuss this often in the context of agricultural labour. What we observe is that generally the supply falls, prices go up and we've got demand going up at the same time. To try and get a picture of that, you need a good understanding of that counterfactual.

Senator PATRICK: Could you provide those statistics—pricing as a function of time—on notice?

Dr Greenville: We could take a look. I could take that on notice and see what we've got.

Senator PATRICK: Thank you. Do you have any insight into the amount of timber that's actually being exported?

Dr Greenville: Yes, I do. I had some details on exports on various devices. I might give you some figures in value terms as opposed to actual quantities, because we export not just timber but a range of things. I have a breakdown by country if you would like. Or do you want me to give you that on notice?

Senator PATRICK: Why don't you put them on notice rather than just roll them out?

Dr Greenville: Okay, because we've got tables and tables of data.

Senator PATRICK: And I do see those answers come in, and they're quite comprehensive. Going back to the question of the price: is it increasing? I presume it is, because that's the signal that I'm getting from constituents—the price is increasing and there is a shortage. What are the short-term things we're doing, other than the transport subsidies that are being used to address that, in terms of importing? That may not be a question for you.

Ms Deininger: That's a broader whole-of-economy issue. To the extent that there is increasing demand, you are going to see price changes but you also might see changes in supply. You might see harvesting decisions changing. But there's a number of ways that you might meet that supply.

Senator PATRICK: Yes. Some the market sorts out, but I'm just wondering if there's anything you are doing, in terms of your levers, to be able to increase supply?

Ms Deininger: As you mentioned earlier, we're trying to assist with the harvesting of the timber impacted by the bushfires so they can get it into the market.

Senator PATRICK: I did congratulate you on that.

Ms Deininger: Yes.

Senator PATRICK: Imports—are we doing anything on that front?

Ms Deininger: That's more a matter for individual businesses whether they are importing timber. The government's not really involved in importing timber supply.

Senator PATRICK: The plan for the longer term—is all we are hanging our hat on here is the billion trees?

Ms Deininger: There were some changes.

Senator PATRICK: Maybe I should read the plan.

Senator Duniam: There are other elements to it. You have to have certainty. You have to try and stimulate demand—for want of a better expression. If you plant a tree tomorrow and harvest it in 25 years' time, you don't know what the market is going to look like. The best thing we can do is try and provide certainty for what it might look like down the track. Supporting the value-add part of the supply chain processes and mills to do more here rather than sending the raw product offshore and buying the value-added product back is one way of doing that and that is something we will work with industry on, but it is those sorts of things we need to look to.

Senator PATRICK: In March 2020 the department advised it was doing a closing report with analysis of the 1997 Plantations for Australia: The 2020 Vision. I'm just wondering where I can get a copy of that report because it was supposedly closed out at the end of 2020.

Ms Deininger: I don't have details of that to hand. I'm happy to take that on notice and provide you with some information on what we have done there.

Senator PATRICK: My understanding is there was a review of that program. Post analysis of it, I just haven't seen anything pop out. It might be because there is lots of information there and I can't find it. If not, assuming it's finished, can you please provide it to the committee?

Ms Deininger: Sure.

Senator McMAHON: I have a question regarding the shortage of pallets. One thing that I've noticed driving around the Northern Territory the last couple of weeks is thousands and thousands of pallets packed up around the

place. This is not unusual, and people usually come and collect them. We have all sorts of uses for them—we like putting them in the garden, we build things out of them, we burn them and on a block they are almost as useful as telecom rope. But they are sitting around and they could be re-used. Obviously, there is an issue with sending them back to where they came from. But have we looked at or could we look at some sort of temporary pallet deposit, \$5 a pallet or something—you get your money back when you send it back—and maybe some sort of subsidy to the trucking company? Mostly, certainly from the Northern Territory, they are going back empty anyway. But could there be some sort of small subsidy to say to them, 'Hey, if you bring back a couple of thousand pallets, here is a temporary subsidy to help ease the shortfall until we can catch up with manufacturing.'

Ms Deininger: I guess that would be open to the pallet manufacturers or, indeed, the users of pallets to offer that kind of incentive. We talked a little bit earlier—you might not have been able to attend for that discussion—with Senator McCarthy. It's not so much an issue that there's been a reduction in the pallets supply; it's that there are blockages, and perhaps the ones you have observed are part of that. They are not in the right places. We also discussed the fact that there have obviously been road and rail closures in the NT and into WA that might have exacerbated that, because we haven't been able to have those freight routes open. Certainly, it would be open to the different distribution companies or the pallet manufacturers to offer those sorts of incentives to effectively recycle and re-use pallets in an efficient way.

Senator McMAHON: When you say it's up to the companies and the distributors, I would actually respectfully disagree with that. I mean, it was certainly government legislation that led to the container deposits being put on bottles, cans et cetera. If we need to do this, there possibly is going to need to be some form of government legislation or government-led incentive.

Mr Metcalfe: You are obviously aware that there are other areas where the government is showing leadership such as more broadly in the recycling of materials—plastic bottles, tyres, paper and so on. Your suggestion about a sort of a scheme to get pallets back to where they're needed, particularly if there's large quantities in the wrong place, and how that would be best able to be worked through is certainly something we are happy to take that on notice. We would need to consult with the industry and also with the departments. Again, it's probably back at that state government level as to who actually can sort of assist with this. But you are raising an excellent point and it's certainly something we are happy to look at.

Ms Deininger: We are also working across government and with organisations like the big trucking companies and supermarkets to try and bust, if you like, those congestions of where there are too many pallets in the wrong places. So we are doing a number of other things to try and ease that congestion and even out the availability of the pallets.

Senator CICCONE: Could I ask about the kids to farms program?

Mr Metcalfe: Could I check in on progress because I think by about 12:15 we were going to go to outcome 4. We are still in outcome 3. We have everyone available but is there any indication I can give to my colleagues?

CHAIR: It is our best estimate that we will be completed this section by the lunch break and then we will return with outcome 4 and progress from there.

Mr Metcalfe: We obviously have a whole range of agencies and RDCs lined up subsequently, many of whom will be joining remotely, but I'm sure the committee secretariat will be focusing on that.

Senator CICCONE: Can the department confirm how many schools and students have participated in this program in the last financial year?

Ms Deininger: No, we would need to take that on notice. We don't have with us the details of the schools that have been participating. It's being run by state farming organisations, so we would need to get the details.

Senator CICCONE: You don't have a number—not the actual schools themselves but just a number—of how many schools and students?

Ms Deininger: No, not with me.

Senator CICCONE: How much funding has been allocated to the program in the financial year and across the forwards?

Ms Stanion: The kids to farms component of Educating Kids About Agriculture is \$5 million over the forwards. I have the breakdown for the \$10 million but not for the \$5 million.

Senator CICCONE: Sorry, for the 10?

Ms Stanion: Yes, because there are two components: one is farms to kids, which is iFarm—that was \$5 million—and the other component is kids to farms.

Senator CICCONE: These are both administered by the state bodies, is that right? Is it money given to states or to state farming groups—

Ms Deininger: It is for farming groups.

Senator CICCONE: for the various federations?

Ms Deininger: They are AgForce Queensland, NSW Farmers Association, Northern Territory Farmers Association, Primary Producers SA, Tasmanian Farmers and Graziers Associations, Victorian Farmers Federation and Western Australian Farmers Federation.

Senator CICCONE: You don't think about giving to other peak bodies in the agriculture space as well, like AUSVEG, for instance?

Ms Deininger: Like AUSVEG?

Senator CICCONE: Yes. Why go through these other farming federations?

Ms Stanion: The eligibility for this program was set by the government, and the funding was to go to state farming organisations.

Ms Deininger: That was really, I recall, because they had some experience in running these kinds of programs.

Ms Stanion: But they're all partnering with other organisations, so they're consortiums. Universities, education providers et cetera are all part of the program.

Senator CICCONE: Have there been any impacts of COVID, floods or bushfires with this program? Or was that more directly relevant for those various state bodies to provide you with that information? Are you aware of any impacts with COVID delays?

Ms Stanion: Yes, there have been impacts from COVID. As schools were closed for periods of time, that has delayed a lot of the activities.

Senator CICCONE: Just take that on notice, if you could. The other thing I wanted to touch on briefly is the mouse plague. I know you mentioned it earlier in your opening statement, Secretary.

Mr Metcalfe: That crosses into the next outcome.

Senator CICCONE: Is it in the next outcome? Okay. I'll leave it for then. Could I ask a few questions with respect to trade markets access?

Mr Metcalfe: We're in the right place, yes.

Ms Deininger: That's in this outcome.

Senator CICCONE: I appreciate the government's been eager to sign a number of FTAs. I note that while such agreements have often—

Mr Metcalfe: Our colleagues are just coming in. We might let them settle in, if that's okay.

Senator CICCONE: That's okay.

Mr Metcalfe: Thank you very much.

Senator CICCONE: Does your department have the lead in negotiations with some of the technical barriers to trade agreements?

Mr Tinning: Yes, we lead some of the negotiations with our trading partners in relation to technical market access.

Senator CICCONE: And you work, obviously, quite closely with DFAT?

Mr Tinning: We do.

Senator CICCONE: They are the lead agency when it comes to FTAs? Or is it the department of agriculture?

Mr Tinning: They lead on the negotiation of FTAs. We work very closely with them in that and we do lead certain components of the FTA negotiations.

Senator CICCONE: Are you able to provide me with an update on the current work you're doing with regard to settling technical barriers to agreements with our FTA partners?

Mr Tinning: We do have a very wide array of ongoing negotiations with partners about technical barriers to trade. I'm happy to go into details on issues of interest, but it would be a very broad brief.

Senator CICCONE: Maybe you can take it on notice and provide the committee with some further information on notice.

Mr Tinning: Yes. I should say it's sort of the day job of our counsellors based overseas to take forward those negotiations, so we're doing it all the time.

Senator CICCONE: Obviously as we get closer to that \$100 billion goal we'll need to significantly expand on the technical market access protocols and arrangements. How's the government investing in this area?

Mr Tinning: There are many technical divisions that take forward those negotiations on a day-to-day basis. I'm sure our colleagues in outcome 4 would be happy to talk to many of the negotiations we have ongoing about technical market access across the plant and animal space. Our counsellors based overseas help support those negotiations in terms of our relationships with trading partners.

Senator CICCONE: Is the minister—along with the Minister for Trade and other senior ministers—raising technical market access issues for ag with their ministerial counterparts when they meet overseas? I don't know what details you're able to provide me with on this subject matter.

Mr Tinning: Yes, they certainly do on occasion. When Minister Littleproud engages with his ministerial colleagues overseas, he often raises those issues, as does Minister Tehan, and we work with DFAT closely on when it's appropriate for ministers to raise those issues.

Senator CICCONE: Some feedback we've had over the years from some stakeholders in ag is that there's quite a bit of a lag sometimes when the minister's press release announces a new FTA. I guess, for them, they just want to see more real-time information passed on to the relevant stakeholders. Is that something that you look at trying to improve: the information that's actually provided to stakeholders?

Mr Tinning: Yes. We are investing quite heavily under the Agri-Business Expansion Initiative that I mentioned earlier on market intelligence—that's getting information into the hands of exporters in as close to real time as we can. We're working very heavily with the peak bodies to make sure we get that information out in a timely way.

Senator CICCONE: What can we do more to—

Mr Metcalfe: It's not only through those channels, but the department has an active social media presence. Indeed, there are trade tips and various other things appearing on LinkedIn and Facebook. So, we're trying to get it out there as much as we can.

Senator CICCONE: And trying to make sure that the producers can get their goods out to market a lot faster—what are we doing to address that?

Mr Metcalfe: All of those are examples. In addition, we work closely with key bodies such as Meat & Livestock Australia and others who obviously keep a very close eye on commodity prices, trade trends and whatever. There's more and more information available right down to the individual producer level about the sort of opportunities that they can be pursuing. That's reflected, as I said in my opening statement: we're seeing record levels of exports of agricultural commodities. We've got this quite extraordinary period of high prices, very strong Australian production and weak production in some competitor areas. We're doing our best to take advantage of all of that.

Mr Tinning: Under the Agri-Business Expansion Initiative, we are investing an additional \$11 million in the technical market access negotiations that underpin that trade. That goes to the additional investment we're making to take advantage of those opportunities.

Senator CICCONE: How is the government using these agreements to leverage technical market access for Australian ag exporters?

Mr Tinning: The FTAs are obviously the starting point in terms of lowering tariff barriers et cetera. The detailed technical market access negotiations follow the FTA in general and are often undertaken even where we don't have FTAs, because you need those technical protocols to underpin our trade. They're often lengthy. They involve scientific negotiations that our technical divisions lead and they do take time. As I said, we are increasing our investment in those areas.

Senator CICCONE: I appreciate that. This is my last question, Chair. What's the government doing to support our officials abroad to make sure that when we do try and get access to various markets overseas we're making the process as seamless as possible?

Mr Metcalfe: I think that we have—certainly in my experience—an unparalleled strong relationship with Austrade and we work in tandem with them. Indeed, Mr Hazlehurst is a former deputy CEO of Austrade, which is why we brought him here to strengthen our trade ability. But right down to the post level, our colleagues in

Korea, Japan, Jakarta, Beijing and elsewhere are working every day on these technical levels, which sit behind the broader trade agreements.

There have been some great successes. We're exporting commodities to places where we didn't export them previously. Part of that's been very deliberate. The Agri-Business Expansion Initiative has been to expand our exports but also to diversify, or help our producers and processors diversify, so that their eggs aren't all in one basket. That's something forced upon us, but it's something that we are working closely with industry to take advantage of. The great produce that Australian farmers, graziers and fishers provide, and the great products that our processors provide into a competitive world market is where 'premium' is something we can offer.

Finally, there was a significant initiative announced in MYEFO in relation to traceability. There's been a huge amount of work done around traceability, but there was a gap identified almost in that there were a thousand flowers blooming and we needed to provide some overall focus and leadership. We're delighted that the government has said that that's a key priority for them to the tune of almost \$70 million in funding. It's again about traceability in what comes into the country to strengthen our biosecurity capability but also being able to track through the provenance of particular commodities so that we actually know where a particular piece of beef appearing on a particular supermarket shelf comes from; and that it is Australian, that it's been produced to very high standards, is very safe and is a very desirable product. That's the sort of work that we are also focusing on.

Senator CICCONE: Thank you very much, Secretary. That's it for those questions I had, Chair. There was one other thing, just before we go to lunch. Earlier on I should probably have asked about koalas. I know there has been some chatter about—

Mr Metcalfe: We talked about them last night.

Senator CICCONE: Yes, but the koala has been listed as an endangered species. I want to know if the department has any understanding of the numbers of koalas—the koala population. Is that something—

Mr Metcalfe: I don't have my environment colleagues with me today. They are with another committee.

Senator CICCONE: Could you take it on notice? I'm not asking you to provide me with an answer, but if you are able, could you take it on notice?

Mr Metcalfe: Yes, we'll take that on notice. There's certainly a good understanding, but there's more work being done around a census of koalas. Clearly, there's been the significant announcement made by Minister Ley recently in relation to the uplisting of koalas in Queensland, New South Wales and the ACT to endangered, which brings in a whole series of additional safeguards and measures. At the same time, we're conscious that there are overpopulations in some parts of the country as well.

Senator CICCONE: Like Victoria?

Mr Metcalfe: But, in response to your question about numbers—

Senator CICCONE: The actual numbers.

Mr Metcalfe: we'll take that on notice.

Senator CICCONE: There has been some confusion, and I meant to ask it in corporate, but we obviously got distracted with some other issues this morning.

Mr Metcalfe: We had a long discussion in the environment committee last night about this.

Senator CICCONE: Thank you. I appreciate that.

CHAIR: Regarding koalas, we have koalas back in regions where they haven't been seen for a long time in Queensland—around Tambo and further south. They think it's the advent of wild dog fencing. So I would just flag that, when the department is considering counting them, they go west, not just to places where—

Mr Metcalfe: We'll going everywhere, Senator, because it is really important to know where they are and, therefore, what that means in terms of not only local laws and regulations but also other issues, such as disease status, because one of the big issues facing the koala is chlamydia. There are disease-free populations, and, obviously, research into how that disease can be dealt with and overcome and into populations that are resistant to the disease are aspects of work that we're doing.

CHAIR: Senator Mirabella?

Senator MIRABELLA: I have a quick question. I'm going to ask this question a little later of Dairy Australia and MLA. Is anyone able to give us a quick update on the status domestically and internationally of definitions and regulatory action on things like meat and milk?

Mr Metcalfe: Ms Deininger will assist us. This is in the description of meat as the product of an animal, as opposed to a plant product, or of milk as something that comes from an animal, as opposed to an almond.

Senator MIRABELLA: Yes, an almond.

CHAIR: That is such an excellent question, Senator Mirabella. We've just finished an inquiry on this matter.

Mr Metcalfe: We were always clear in Queensland, Senator, that it was peanut paste. But down south here it's peanut butter, when it's clearly not butter, as far as I'm concerned. But I'm not sure if you agree, Chair.

CHAIR: I don't have a view on the peanut paste, peanut butter matter, but I should.

Mr Metcalfe: You'd be a peanut butter guy, though.

Senator CICCONE: I'm a peanut butter guy, and I'm a potato scallop guy too.

Ms Deininger: In relation to the truth-in-labelling matter, there has been a Senate committee that I recall our chair has been very active in. We're waiting on the outcome of that Senate committee. There was also a working group that did some work around options in relation to labelling. Certainly, government understands that it is a significant concern, particularly for the dairy and red meat sectors, and we're looking forward to the committee's response to be able to work through that.

Senator MIRABELLA: Where are we at internationally? Is there anything happening that we're involved in?

Ms Deininger: I believe different countries have different arrangements. I seem to recall, perhaps in our submission, that we talked a little bit about some of the international arrangements.

Mr Metcalfe: Senator, if it would assist, this is the sort of thing we could check on over the lunchbreak. If you're around after lunch, we could easily update you quickly on that.

Senator MIRABELLA: I won't even give you a question on notice. I'll perhaps update myself with the inquiry report when it comes out.

Mr Metcalfe: Thanks very much, Senator.

CHAIR: Very good. I recommend the Senate inquiry into the definition of meat and other products, which will be coming out on 24 February.

Mr Metcalfe: We're looking forward to it.

Senator CICCONE: I'll look forward to it with much anticipation. Get around the barbie or something. I don't know, are we allowed to say that?

Senator Duniam: I'm keen.

CHAIR: That means we've now completed outcome 3. Rather than call the department in for 10 minutes, with the agreement of the committee we will go to lunch now.

Proceedings suspended from 13:05 to 14:11

CHAIR: Welcome back.

Mr Metcalfe: There was material that we undertook to get to Senator Mirabella, and we can provide further information if that would assist.

CHAIR: Terrific, thank you.

Ms Deininger: Senator Mirabella, you asked about international experience in relation to the labelling of plant based alternatives. Some countries have sought to introduce restrictions on the use of meat and dairy terms. For example, France prohibits labelling of plant based alternatives for meat and dairy and Canada and some US states have introduced partial restrictions. In relation to dairy, in the EU, France and Canada there are prohibitions on the use of 'dairy' and 'milk' in terms of plant based alternatives and in China, India and some parts of the US there are qualifiers. I think I mentioned earlier in my evidence that there was a working group that undertook investigation into these matters, including from a broad range of organisations. That working group report has been published in the *Hansard* through an order to produce documents. There's quite a lot of information in that report that you might find of interest and that the committee chairs might find of interests.

Senator FARUQI: I will start with questions about abattoirs. There was a story in the *Sydney Morning Herald* and the *Age*, I think on 31 January, by Richards Baker titled 'Dying sheep, cattle unable to stand: Vets identify cruelty in meat industry'. I presume you are familiar with that story.

Mr Hazlehurst: Yes.

Senator FARUQI: From what I read, it was pretty horrific not just on animal cruelty grounds but there were a few other issues. I'd like to read out a particular excerpt for the committee's benefit:

Vets employed by the federal agriculture department and stationed at export abattoirs have privately spoken of feeling pressure from meat processors when raising animal welfare concerns, and a lack of support from some senior public servants when they reported incidents.

This is your department, I think, they're talking about feeling pressure from meat processors, raising concerns and a lack of support from the department. Does this report worry you?

Mr Hazlehurst: We are, of course, concerned when we hear comments like that. It doesn't match up, though, with our lived experience of engaging and working with the sector, and lived experience of working and engaging with our veterinary staff in those facilities. I might ask Ms Hinder to make some other comments about that.

Ms Hinder: Undoubtedly, the reports that were in the *Herald* and the *Age* and other reports are also of concern. But, as Deputy Secretary Hazlehurst has indicated, it is also not living up to our experience of working hand in hand with the export sector, the seriousness by which they also approach animal welfare associated with the slaughter of animals, at these establishments, and with the lived experience of our highly professional staff who work at those establishments and are responsible for managing animal welfare concerns when they arise.

Senator FARUQI: Have you conducted any investigations following the publication of these articles to look at how federally employed vets are going?

Ms Hinder: We have a range of activities underway, at the moment, with the departmental staff that work at our export registered establishments in—

Senator FARUQI: Particularly in light of these reports. Is there a particular investigation in light of these reports, is what I'm asking.

Ms Hinder: There are two responses to that question. Yes, of course, we've had a look at the incidents that were specifically reported. I am very confident that our staff have acted appropriately in managing those animal welfare issues as they've been reported. The second part, though, is what we are doing about working with our establishments and working with our staff that work at these establishments in order to make sure that we have a really responsive engagement and we have a very good culture, both working with the establishments. That work has been underway for some time, looking at the culture of working at industry and industry working with us. At the same time, yes, we have looked at those three specific references that were included in the article.

Senator FARUQI: They were the animal cruelty incidents. What about the vets? Have you spoken to the vets who feel the pressure from meat processors and a lack of support from the department?

Ms Hinder: We speak to our on-plant veterinarians on a—

Senator FARUQI: I'm talking about, particularly, in light of these reports.

Ms Hinder: Those conversations, as I've said, are on an ongoing basis.

Senator FARUQI: I'm asking, after this was revealed, have you spoken to the vets and asked them how they are going and what is going on if they're feeling pressure from both sides?

Ms Hinder: As part of our ongoing work that we have with culture—

Senator FARUQI: You don't want to answer that question. I will move on.

Mr Metcalfe: I think the officer is trying to answer the question.

Senator FARUQI: I'm not asking about ongoing work, I'm asking about a particular incident.

Mr Metcalfe: Ongoing means it's happening now.

Senator FARUQI: No, it doesn't. If you could give me a clear response as to after these incidents and the revelations that vets are feeling pressure, whether you have investigated that particular incident, in that context.

Ms Hinder: We constantly, on an everyday basis, engage with all officers that we have at export registered establishments.

Senator FARUQI: What did that investigation reveal from the vets? What did they have to say? Are you satisfied that you are addressing their concerns?

Ms Hinder: It's always an ongoing body of work to be able to engage with people placed at third-party establishments.

Senator FARUQI: The incidents that were detailed in the article are from just two months of reports in 2019 and, as I said, they're very disturbing. Were these particularly bad months for animal welfare at export abattoirs or was this just normal, these sorts of incidents reported month by month?

Ms Hinder: It's probably worth us putting into context the number of animal welfare reports that we've received for export registered establishments versus the amount of animals that are slaughtered at export registered establishments, because it gives a very good basis for the proportion of which animal welfare incidents are reflected. I'm happy to be able to provide you with details for the number of animal welfare incident reports that were lodged in 2020 and 2021 and talk about those in the construct of what they are on a proportionate basis.

Senator FARUQI: Perhaps you can provide that on notice?

Ms Hinder: More than happy to.

Senator FARUQI: Is the department currently experiencing shortages of on-plant vets? I think I saw some advertising for those positions.

Ms Hinder: At the moment we have about 320 on-plant veterinarians that work at around 88 export establishments all around Australia. Like every sector, there is turnover associated with that, so we are recruiting for our highly capable veterinary staff at the moment.

Senator FARUQI: How many positions out of those 320 are not filled at the moment?

Ms Hinder: All positions are filled at the moment, but we are also taking a forward-looking approach, because we know that we manage a workforce which is made up of permanent staff, contract staff and casual staff.

Senator FARUQI: Are you increasing the number of on-plant vets?

Ms Hinder: We might be increasing the number of on-plant vets, particularly to cover expected vacancies that might arise, and also because we're managing normal turnover in terms of a workforce. This is the first time for around two years I think that we've undertaken recruitment for our on-plant veterinarians, so this would be normal.

Mr Hazlehurst: Senator, if I may—sorry to interrupt. An additional dimension, of course, for this workforce has been the impact of COVID. As part of our overall approach the department as a whole, particularly this part of the department, are thinking about how we ensure business continuity. We want to ensure we've got sufficient on-plant vets as well as meat inspectors available, such that if the vet at that plant is not able to work we've got someone who can back them up. So we've been constantly recalibrating the number of vets that we need.

Senator FARUQI: In that same story that I referred to earlier in the Nine newspapers, everyone from the Australian Meat Industry Council to the RSPCA were in agreement that stronger animal welfare standards—national standards—need to be introduced. I'm wondering if government is reprioritising this, because I know that the current model code of practice is about 20 years old. There has been a process, I think, to update it, but I'm not sure where that's at, and when it will be updated. So, very quickly, if you could tell us: when are more stringent and nationally consistent standards being put into law?

Mr Metcalfe : We talked earlier today about the work that we're doing with the states, so—

Senator FARUQI: That was on poultry though, not abattoirs.

Mr Metcalfe : That is right. I'll ask Ms Deininger to provide an update.

Ms Deininger: I apologise, Senator Faruqi; I misunderstood the question. I thought it was in relation to export abattoirs. I can provide an update in relation to the work that we're doing on livestock processing standards. As I mentioned, the model that we have for the poultry standards is the independent panel. We've gone with the traditional arrangement for these standards, which basically has one of the states leading the work. In relation to that work, Queensland is leading the work of developing the new standards and guidelines that will replace the current model. What they're currently working on is the literature study or the literature review, which then underpins the eventual standards. That's being undertaken by an independent specialist. A stakeholder advisory group has also been formed, which is being chaired by an independent facilitator. Queensland is expecting the literature review will be done this financial year.

Senator FARUQI: Again, I ask the same question: is there a time line for when the first draft of these new standards will be put on the table?

Ms Deininger: We'll have to check with Queensland. I don't have that.

Senator FARUQI: If you wouldn't mind checking that. What role does the federal government or your department have in this?

Ms Deininger: We are involved in the Animal Welfare Task Group as a contributor, and we can contribute expertise, but this is the model whereby we have different states and territories leading the work. Ultimately it will go for consideration to the secretary's committee—we talked about that before—with a regulation impact statement.

Senator FARUQI: But we are talking about national standards, right?

Ms Deininger: Well, no. I think these will be up to the states again. Consistent with the poultry standards, ultimately the states have to legislate. I think it's industry preference generally to have a consistent set of standards across all the states and territories. Ultimately, it's a matter for each individual parliament.

Senator FARUQI: Could I ask some questions of live exports branch, and then I will be finished. If I could start off with the independent observers: are they back on live export ships?

Mr Hazlehurst: No, they're not.

Senator FARUQI: In Senate estimates in October the department said that the program should be back up and running in some months. It is February now, so what's the hold-up on this? I think there was some discussion before that about international travel opening up. That's been opened for some months now and fully opened last week. What is the hold-up now?

Mr Hazlehurst: There's one word for it: omicron. In October we didn't anticipate that variant having the impact that it did.—I don't know that we'd even heard of it at that point. Our plans had been underway on the basis that we were on a trajectory out of the delta variant phase of the pandemic, and omicron has simply meant that we've had to put some of those plans on hold. I am mindful that the complexities are not just about travel in and out of Australia; in fact, they're about travel in and out of third and sometimes fourth countries that these voyages go to. We need to be in a position to be confident about the ability of our staff to return to Australia. There are different conditions in different countries—for example, across South-East Asia the spread of omicron has been a bit behind what it has been in Australia and therefore they're more in the grip of dealing with that part of the pandemic.

Senator FARUQI: But travel from those countries to Australia is now open, so I'm not quite sure what the issue is with independent observers.

Mr Hazlehurst: Only in recent days has that occurred.

Senator FARUQI: Haven't you been planning for that?

Mr Hazlehurst: We have certainly got well-advanced plans for how we will seek to engage independent observers as the conditions keep changing. We are not yet putting independent observers on the boats.

Senator FARUQI: There's no plan or time line, as far as can I see, for you to put independent observers on those ships?

Mr Hazlehurst: I don't believe we have a hard time line.

Senator FARUQI: I find that a dire state of affairs.

Mr Metcalfe: There is a very important balance here between the significant role that independent observers can provide and the legal obligations upon me in terms of my staff's work health and safety. We have got a proud record in the department of [inaudible] with our staff.

Senator FARUQI: You should.

Mr Metcalfe: It is a very important consideration. My colleagues are constantly balancing the need to ensure that our staff work in a safe environment and are not unnecessarily exposed to a virus that can lead to terrible consequences but at the same time ensure business continuity. We'd be very happy to talk about how we continue to provide business continuity and appropriate safeguards, notwithstanding the fact that observers have not been able to be present because of the worldwide pandemic.

Senator FARUQI: I'm interested in animal welfare at this point in time, not necessarily making profit out of animal cruelty.

Mr Metcalfe: I'm interested in animal welfare and human welfare.

Senator FARUQI: I have some questions about the review of the northern summer order. The draft report on the review of the live export of sheep to the Middle East during the northern summer was open for submissions. Can I ask how many submissions have been received?

Ms Hutchison: There have been around 700 submissions received to that review.

Senator FARUQI: On the time line on the website it says that a final report will be released in late February. Is that still on track?

Ms Hutchison: We're working very hard to meet that timeline.

Senator FARUQI: Will you publish any of the submissions? I noticed there weren't any published.

Ms Hutchison: The intention would be to publish those submissions that were made without the submitter saying that they were made in confidence.

Senator FARUQI: When will that happen?

Ms Hutchison: We will look to do that at the time that we publish the report.

Senator FARUQI: Do you have any kind of assessment of how many submissions were in favour of the changes in the review, and what proportion were opposed?

Ms Hutchison: I don't.

Senator FARUQI: Is it possible to get a figure on that?

Ms Hutchison: Yes, we can have a look at that.

Senator FARUQI: Great. Do you expect that any changes that end up being recommended in the final report will be made this year? Is that what you're looking at—before the commencement of the northern summer?

Ms Hutchison: That was the plan. The timing of the review has been such that, between the end of the 2021 Northern Hemisphere summer period and the commencement of the 2022, the intention was to undertake the review, determine whether any changes needed to be made and then be able to make those changes in anticipation of the 2022 Northern Hemisphere summer.

Senator FARUQI: Could I confirm that you said that you are still thinking that the report will be made public this month?

Ms Hutchison: That's what we're working to. Clearly the team is working through all the submissions, having a look at all the information and giving due consideration to all of that information. We are working hard to meet the time lines that we had publicly stated.

Senator FARUQI: Just talking about the data on which the draft report was based, I have been trying to square up the dataset that's been used for the review and the pretty substantial changes that the review recommended. These will lead to, from my perspective, more sheep at risk of heat stress and mortality. The draft report reads:

The relatively low number of voyages in the Northern Hemisphere summer shoulder periods since 2019, combined with the pause in the deployment of IOs due to independent observers due to COVID-19 travel restrictions, have limited the overall quantity of data available. Voyage reporting has also been of variable quality in terms of accuracy, consistency and completeness.

... ..

The lack of an adequate amount of quality data has prevented a statistically robust analysis of the impacts of the implementation of a prohibition and related conditions during the Northern Hemisphere summer.

I'm a little bit concerned that, given all these inconsistencies and incompleteness, this data is what you are using to propose significant changes to the Northern Hemisphere summer order. Could you justify that?

Mr Hazlehurst: Just to clarify, there were two kinds of data at the broadest level that were taken into account in undertaking the review. One was a review of the data that was available from voyages that had occurred, and the other was updated data from the Bureau of Meteorology. The conclusions that you're reading out relate to the weight, or otherwise, that we might give to data around the voyages themselves. The changes that are being considered—it's a draft—relate to, or are based on, the updated and more detailed information we've been able to get from the Bureau of Meteorology about the temperatures.

Senator FARUQI: Surely it's not just the temperatures? It's what's happening on those ships that is as vital as what the temperatures are. So you've considered a set of data and then used another. Why did you even use this data?

Mr Hazlehurst: We looked at all the available data that has been able to be relied on to update the consideration that was given to things in the original RIS and in the original processes of considering the prohibition. The data that has changed, as far as we're concerned, and that we could rely on sensibly, is the data from the Bureau of Meteorology that goes to temperatures.

Senator FARUQI: So you have not considered at all the observations that are made on those ships? The report uses data from just 15 voyages. Only six had independent observers. The observer program was stopped during COVID, but we know that all those voyages that had observers reported heat stress. Surely this should ring alarm bells. So you've just said, 'Okay, forget that, we'll just use meteorological data. We don't care what's happening on the ships, really, and how much heat stress the sheep are going through.' I don't understand that.

Mr Hazlehurst: I might ask Ms Hutchison to make some observations around the way in which we have assessed the circumstances on the ships and the nature of the impact on the animals on the ships. But it still stands that you asked me on what basis we are making, or considering making, changes. It's primarily because we've got updated data on the actual temperatures that are experienced at certain times of the year.

Senator FARUQI: I will come back to Ms Hutchison later. I do have some questions on the temperature, so I might continue in that vein and we'll come back to that question. The draft review recommended heat stress

thresholds which depart quite dramatically from the advice of the independent heat stress risk assessment review panel. So I want to ask why, even with your updated data, the department has set its wet bulb temperature threshold to an ambient 29 degrees C in its evaluations and its recommendations? Before that, we know, it was the deck temperature, not the ambient temperature, which the review panel had recommended was important. So why that change? Why that divergence?

Ms Hutchison: I may be misunderstanding the question, but there hasn't been a divergence. The principle on which the policy has been set is understanding that at a 29-degree temperature animals will start experiencing heat stress, which is defined for this particular review in relation to temperatures getting beyond the animal's body being able to dissipate the heat. That principle hasn't changed, so there isn't a discrepancy between the threshold that is being used. What information we have received from the Bureau of Meteorology is updated information about the time at which you can expect that sheep will start to experience those temperatures, adjusting the prohibition periods and adding some conditional prohibition periods to take into account changes in Bureau of Meteorology data around when that threshold could be experienced. So there isn't a change in the threshold, if you like; it is a change in looking at what temperatures, according to the data, will actually be experienced or are likely to be experienced in those periods of time, and adjusting for that.

Senator FARUQI: How can it be not a change when HSRA's recommendation is wet bulb temperature on the deck and now it has changed to wet bulb temperature which is ambient? There's quite a bit of difference, and that is what HSRA said as well. Also, the report recommended that the heat stress risk assessment model should be applied in conjunction with 98 per cent probability of not reaching heat stress, and now that has been lowered to 95 per cent probability.

Ms Hutchison: Taking the first question first: the data tells us about the ambient temperature. We understand, from a range of information that we look at, what the likely difference between ambient and deck temperatures are going to be. That's taken into account in considering the temperatures that the sheep are likely to experience at that point in time and whether there are any mitigation factors. So the actual deck temperatures are taken into account.

Senator FARUQI: What is the wet bulb deck temperature that you're using as a threshold?

Ms Hutchison: Depending on the vessel, the sheep and a range of things, you could expect to get a variety of deck temperatures depending on a range of conditions. The draft report looks at absolute prohibition periods in a time frame where the anticipated temperatures will be beyond those that sheep can reasonably tolerate. Within other specified periods, or shoulder periods, if you like, there are mitigating factors, depending on the weight of sheep, the number of sheep and a range of measures, between the ambient temperature and the number of variables. You could expect the deck temperature to be a degree or two degrees or whatever above. So the aim is, in its totality, that the sheep on those decks at that particular time are unlikely, or are likely only five per cent of the time, to experience a temperature that will put them into heat stress.

In terms of the 98 and 95: the original report did recommend the 98th percentile. The department looked at that at the time. There wasn't a large appreciable difference between the 95th and 98th percentiles, and the decision was made at that time to use the 95th percentile. That's not different in this review; that was part of the consideration that underpinned the northern hemisphere summer prohibition when it was introduced.

Senator FARUQI: I'm still confused. If the deck temperatures are the important ones—because that's where the sheep are—and the recommendation is for 28 degrees C on deck, because anything above that exceeds what most councils of live sheep exports recommend because it's when they start experiencing heat stress, why isn't that the threshold? You said that deck temperature depends on how many sheep there are. Obviously, that's understood. But why isn't it 28 degrees C on deck when we know that's when sheep start experiencing stress? What's the reason for abandoning that and going with ambient wet bulb temperature?

Ms Hutchinson: I don't think we've abandoned it. I'm not sure I fully understand your question. I'm not trying to avoid it, but we haven't—

Senator FARUQI: I read through the report and the threshold now is a wet bulb temperature of 29 degrees, ambient. Previously, the threshold, as recommended by the panel, was 28 degrees C wet bulb temperature on the deck. There's a big difference between the two. It has changed and maybe you could take it on notice to tell me why it has changed?

Ms Hutchinson: Yes, I'll definitely take it on notice.

Senator FARUQI: Did the report contain any predictive climate modelling? We know that the temperatures are going to get hotter.

Ms Hutchinson: My understanding is that the report is based on historical averages, but I'll check that for you.

Senator FARUQI: Thank you.

CHAIR: Senator Canavan, Senator Ciccone has yielded to you.

Senator CANAVAN: He's a nice guy—don't believe what you hear written about him! I also have some questions about live animal exports. My understanding is that some changes have been announced with regard to the requirements for sheep to be loaded to northern destinations. Am I on the right track there?

Mr Hazlehurst: There has been—

Senator CANAVAN: I should say 'proposed conditions' for voyages departing in conditional prohibition periods.

Mr Hazlehurst: Yes. As Senator Faruqi was probing us about, there has been a review undertaken and a draft report was issued before Christmas. We're now considering the 700 submissions that we received in relation to that report.

Senator CANAVAN: In terms of the draft conditions: was there consultation before they were set—before they were announced?

Mr Hazlehurst: They're not announced—

Senator CANAVAN: Well, the draft recommendations—I have them here in front of me—whoever they were sent to. You received 700 submissions so, obviously, you've sent them out to somebody. Before they were provided to the public, or to a group of people, what consultation was done on coming up with them?

Mr Hazlehurst: I'm a little confused. This is the consultation process.

Senator CANAVAN: They're very specific. For example, according to this draft set of conditions that I have, sheep can only have a maximum live weight of 50 kilograms for certain breeds and all non-heat-tolerant breeds, with 60 kilograms for other breeds. They have to be shorn during a certain period of time and have to be provided with certain minimum levels of nutrition. All of these things are very detailed. Were they just come up with within the department or did you seek external guidance on these conditions? That's what I'm asking.

Mr Hazlehurst: Those conditions are based on the available science, longstanding understanding of the conditions on board ships and current commercial practices, as well as emerging science around animal welfare. The purpose of putting out something that was reasonably detailed was to get reasonably detailed feedback, which is what we asked for—

Senator CANAVAN: Sure, I'm just asking about it here. In terms of the science and establishing what the science was, who did you talk to?

Mr Hazlehurst: We talk to industry all the time, including to the industry bodies, but we also have—

Senator CANAVAN: Did you say that—

Mr Hazlehurst: a team of scientists within the department, who also engage with industry and who are also experts.

Senator CANAVAN: It's a pretty simple question. I'm happy to get other people here, but I would have thought that, given the detail in this—and yes, I accept it's a draft, but obviously once something like this is put in writing and put very specifically it sets a certain benchmark. Was there any consultation on these specific requirements with graziers, ALEC or anyone in the industry about the practicality of these measures?

Ms Hutchison: The process is underway. The public consultation period was that process. In terms of what went into considering these particular proposed conditions, there's a range of evidence available, including scientific evidence and research that's been underway and has been published. Quite a lot of these measures can already be found—

Senator CANAVAN: I'm sorry, Chair, I only get limited time. I asked a very specific question. Was anyone in industry, people that actually deal with sheep on a day-to-day basis, spoken to before these conditions were set: yes or no?

Mr Hazlehurst: I think we've answered the question.

Senator CANAVAN: No, you have not. You continue to talk in vague terms about scientists and things.

Mr Hazlehurst: The conditions aren't settled.

Senator CANAVAN: We've already established that. The draft conditions that are set here—did anyone in the department speak to someone who actually handles sheep, an actual grazier, before putting them in black and white?

Ms Hutchison: The measures that are in here are not brand new to the regulation of the live sheep industry.

Senator CANAVAN: That is not my question, with respect. I've got limited time here. I'm going to have to take the answer as a no, because if it was a yes, I think you'd answer it. It's very, very simple.

Mr Metcalfe: Chair, with respect, the officer is trying to answer the question and has got about three words out before—

Senator CANAVAN: After multiple attempts, Mr Metcalfe.

Mr Metcalfe: We can either attempt to answer your question, if you give us a minute, or we'll take it on notice.

CHAIR: That's exactly right, but I ask you: have you consulted with any graziers or animal producers and breeders?

Ms Hutchison: The process of going through a public consultation period is to do exactly that: consult. The draft was published. Specific meetings have been held with a range of interested parties, including ALEC and LiveCorp. There's the opportunity always to speak to the department about this. The science and measures used have long been used in live export regulation. They have been used in the heat stress risk assessment modelling that's long been used for making decisions about sheep exports. The premise that this has been dreamt up and only given to industry in this report is not unfamiliar. In terms of this particular set of recommendations in relation to this report, it was published on 17 December for public comment, which is the process we have gone through.

Senator CANAVAN: Okay, let's be very specific: did you ask for any feedback from any grazier about the practicality of shearing a sheep 14 days before loading for export?

Ms Hutchison: I have not had a conversation with anybody about that.

Senator CANAVAN: Did anyone in the department have a conversation about the practicality of shearing a sheep 14 days before export?

Ms Hutchison: No, we didn't.

Senator CANAVAN: I think the answer is no.

Mr Metcalfe: We'll double-check.

Senator CANAVAN: Just double-check. Ms Hutchison, is that a no to my question?

Ms Hutchison: Sorry, I will take that answer on notice.

Senator CANAVAN: It seems like a no. Like I said, if it was yes, it would be simple.

Senator CICCONE: [inaudible]

Ms Hutchison: I said quite clearly that I didn't remember speaking—

Senator CANAVAN: I think we're going to wait—we're going to find out, Senator Ciccone—but they need to think more about words that don't answer the question. Let's go through some others. The maximum live weight of 50 kilograms for non-heat-tolerant breeds—that is, for example, merino and merino cross—did you speak to any graziers about the practicality of that before it was drafted?

Ms Hutchison: I have not spoken to a grazier, but we have information about the average weight of consignments of sheep shipped. I understand the specificity of your question; what I am trying to convey is that there is information available to the department, so we look at information about recent voyages. We've got averages of the weights sent on those voyages. We can gather information about how long on average sheep may spend in registered establishments or how long on average before they're shipped they're shorn that inform these types of conditions.

CHAIR: I just want to make a comment. I think it's been established by industry that it's not a good idea to shear around the hocks and lower legs before they travel for risk of infection. Is that something that the department's taken into account?

Ms Hutchison: Yes. The department understands the practicalities and importance of having a break between shearing and loading so that any shearing cuts can heal and that shearing isn't undertaken around the hocks or other places where damage can occur, understanding that having open wounds on vessels is not a good outcome for sheep. There are certainly practicalities about ensuring that shearing occurs with enough time to allow any of those sorts of things to heal.

Senator CANAVAN: It's been put to me by graziers who I've spoken to that shearing two weeks before a journey is grossly irresponsible and would lead to wounds not healing and a risk of infection. What does the science say about that?

Ms Hutchison: There isn't a requirement for them to be shorn two weeks prior to departure.

Senator CANAVAN: It says here at point 2 of your conditions:

Sheep that are not a heat-tolerant breed must be off shears (shorn within 14 days of loading for export).

There is a requirement for shearing within 14 days.

Ms Hutchison: It's not a requirement; it's in a draft report. If that isn't a practical thing and the graziers have the opportunity to talk about that, it may—

Senator CANAVAN: So these are some kinds of ambit claims? Is that the process here? The department is running a negotiation with the industry where you're putting up a bunch of ambit claims, which might be wild and terrible, but you're hoping that when you get rid of these wild and ridiculous allegations the industry will then say, 'Oh, thank you very much. Thanks for not imposing.' That seems ridiculous.

Mr Metcalfe: I think that's an unfair characterisation.

Senator CANAVAN: You're saying you have no scientific evidence about the impact of requiring a sheep to be shorn within 14 days of export. You have no evidence on that, despite putting that in a set of draft conditions.

Ms Hutchison: The important element in effectively managing heat stress in sheep is the length of the wool. The importance is around ensuring that sheep have as short amount of wool as possible but within a time frame where they're not going to suffer from other negative impacts between the time they're shorn and the time they're loaded.

Mr Hazlehurst: Senator, the advice that I've been given is that sheep shorn within six weeks may well have wool of less than 15 millimetres.

Senator CANAVAN: Yes, I've been told about eight to 10 millimetres over that period of growth.

Mr Hazlehurst: We will look carefully at that, and if there's an adjustment that needs to be made we'll certainly consider that.

Senator CANAVAN: I'm just struggling here. Are you telling me that before writing a set of draft conditions saying that they have to be shorn within 14 days, the department didn't get advice on how much their wool would grow by compared to the six weeks, which is apparently the normal practice? You didn't get any advice on the difference between six weeks and two weeks in terms of wool growth before writing these conditions?

Mr Hazlehurst: I think that's a level of technical detail that I will need to take on notice.

Senator CANAVAN: I'm happy for you to take that on notice. I struggle to see how you guys have been doing your job; it is your job. Is live exports your full-time job, Ms Hutchison?

Ms Hutchison: No, Senator.

Senator CANAVAN: What else do you do? Do you have plants as well?

Ms Hutchison: I'm responsible for the plant—

Senator CANAVAN: This is outrageous. People are investing millions of dollars in these businesses, and it looks like you have put almost zero thought into the conditions imposed here. It's going to affect their businesses, scare their investors and get their banks saying, 'What's going on with the industry? Is it viable?' This is outrageous. And you sit back here and say, 'Oh, they're just drafts.' They're in black and white, and people are contacting me because they are very, very concerned about their businesses.

Mr Metcalfe: Senator, we hear you loud and clear and we can understand the passion that you and people bring to it. That's exactly why we're consulting. It is a draft; it is not final. It is not in force and is therefore capable of being changed. The point you make is a very important one and something we will look at carefully.

Senator CANAVAN: I think it's very important also, Mr Metcalfe, to review how this is done within your department, because it is not good enough to think that something draft written by your department, an official Australian government department, is somehow innocuous and not going to have an impact just because it's not written in law yet. It does raise a lot of concerns. As I said, people are trying to run their businesses. They are trying to keep people employed. They're trying to keep their banks happy.

Mr Metcalfe: I certainly hope people have taken the opportunity to make those submissions—

Senator CANAVAN: It sounds like they have—700 submissions.

Mr Metcalfe: We received a large number of submissions.

Senator CANAVAN: I'm just gobsmacked that you didn't ask these sorts of basic questions before putting this out there.

Mr Metcalfe: We can go back and see why that period was chosen. I should say that this is an industry where modern practice has largely been determined by the tragedy of the *Awassi Express* some years ago, which brought

the industry into a very significant period of questioning. The department received a huge amount of criticism about its failure to understand or predict that that type of thing may occur. We are not knee-jerking. The industry has continued. Standards have been improved. We have shown that we are very responsible regulators. So I reject any suggestion that staff have been capricious or negligent. They are trying to do a difficult job. We see different sides of the story. Senator Faruqi has obviously got passionate views as well. But as regulators we have to use the best science and best information. We have to consult. That is exactly what we are doing. You have made some important points, which we certainly will look at carefully.

Senator CANAVAN: You raised the *Awassi*. I put some questions on notice at last estimates, and I asked in particular if you had received any correspondence from Lyn White of Animals Australia that indicated a transfer of money to ship workers. You've raised that this was a black mark on the industry, but there are serious questions about exactly how the circumstances of the *Awassi* came about. Just for reference, that was question SQ21002340. In your answer to me—and I may as well read it out in full: 'As its release could reasonably be expected to prejudice the future supply of information to the Department of Agriculture, Water and the Environment associated with the compliance, enforcement and investigations operations, the department is unable to table any communications it may have received from Animals Australia or other parties.' I've had a look closely at the Senate *Practice*. To me, that is not grounds for not producing information to the parliament. Is there any specific law enforcement activity underway against Animals Australia at the moment?

Mr Metcalfe: Our key division head who looks after compliance matters is Mr Timson, who I think is online. The reason he's not here personally is that he is being required to isolate for illness reasons.

Senator CANAVAN: That's fine.

Mr Metcalfe: But Mr Timson will endeavour to assist you.

Mr Timson: There are no active investigations underway at the moment with the division. But, yes, we did provide that answer to you.

Senator CANAVAN: If that is the case, it almost seems you have zero grounds to refuse that information to the parliament. When you look at the general understanding of not providing information that may be before a court or that may involve law enforcement activities, it's very clear that it has to relate to a specific enforcement action that is occurring. I realise you won't be able to provide this to me now, but could I ask you to take that on notice and specifically this time can I insist that, if you are refusing to provide it to the parliament, you provide an appropriate public interest immunity request.

Mr Metcalfe: Yes, we will check on that.

Mr Timson: Yes, we will.

Senator CANAVAN: Thank you.

CHAIR: Senator McMahan.

Senator McMAHON: I'll start along the lines of Senator Faruqi and Senator Canavan. With regard to the draft [inaudible] and the [inaudible] changes to the prohibition periods, can I ask you very specifically what studies or what bodies of research were used to come to these recommendations?

Ms Hutchison: I'm not sure I heard what you said. Can I just check that you asked: 'What are the range of studies that were taken into account in undertaking the review?'

Senator McMAHON: No, sorry. I was very specific. With regard to the absolute prohibition periods, exactly which scientific studies did you use to come to these recommended changes?

Ms Hutchison: The actual length of the prohibition? In the proposed review there are absolute prohibition periods. Are you saying: what scientific studies were used specifically to come to that conclusion?

Senator McMAHON: Yes. Correct.

Ms Hutchison: Okay. We will take that one on notice. There's a range of material, so we'll look closely at your question and make sure we answer that.

Senator McMAHON: Okay. Are you not able to provide details of which studies you used? I mean that must have been a major part of it.

Ms Hutchison: There's not a particular study that says, 'You must not send sheep to the Middle East at this particular time.' A range of information was looked at to come to that conclusion. There's a range of research material that's been looked at and quoted throughout the review. I can look closely at your question to make sure that we understand it and answer it.

Mr Hazlehurst: Senator, as discussed earlier with Senator Faruqi, updated data from the Bureau of Meteorology was very important in those considerations.

Senator McMAHON: Could you go into that a little bit more? What data from the BOM could possibly be relevant to this?

Mr Hazlehurst: The data that relates to the predicted temperatures at different times of the year in different parts of the voyages. For example, the expected temperatures that might occur through the Strait of Hormuz at different times of the year.

Senator McMAHON: Why would you want to know predicted temperatures when you've actually got real temperatures collected from actual voyages to rely on. Why would you need predictions?

Mr Hazlehurst: Sorry. I've been corrected by my colleague. They're not predictions. What are they then, if they're not predictions?

Ms Hutchison: Going to your question, Senator: is predictive analysis used? No, there wasn't any predictive modelling. The Bureau of Meteorology has looked at actual historical temperatures in the Gulf, and they've provided a report about what the patterns of temperature throughout the region are. In Appendix B of the draft report there's the methodology that was used—the climate analysis from the relevant parts of the Middle East that talk about the temperatures in different parts of the Middle East at different points in time. So that updated Bureau of Meteorology data is a significant part that's informed this review.

Senator McMAHON: These are actual historical measurements, not predictions or assumptions?

Mr Hazlehurst: That's correct, Senator. It was my mistake referring to them as predictions. It's historical data, and obviously it's vastly more comprehensive than measurement of data on specific voyages over a period of time.

Senator McMAHON: Is it correct that voyage data for shipping during June, July and August pre-dates the current conditions under which sheep are being exported?

Ms Hutchison: Yes. From 2019 there was a prohibition on the export of sheep to or through the Middle East by sea, so there hasn't been actual voyage data from those times that vessels were prohibited from travelling, with the exception of the *Al Kuwait* that travelled in 2020.

Senator McMAHON: Okay, so there's no actual data from voyages during June, July and August, under the current requirements, except the *Al Kuwait* in 2020?

Ms Hutchison: There's meteorological data about the temperatures in those climatic zones, but if your question was specifically about whether Australian sheep have been shipped on vessels in those periods, the answer is no.

Senator McMAHON: Does this mean that the department is making assumptions about what onboard conditions would be like during the prohibition period under the current conditions?

Ms Hutchison: The department is drawing information from research, observation and meteorological data about what the conditions are, and what impact on sheep can be expected at those points in time and at those temperatures.

Senator McMAHON: So it's making assumptions about what onboard conditions would be.

Ms Hutchison: Drawing conclusions from available—

Mr Hazlehurst: That was the basis for the original prohibition. The short answer to that question is yes. We have to make judgements based on the available evidence of the temperatures that'll be experienced by the sheep. That's what informed the original prohibition. We've got some additional information from the Bureau of Meteorology around the meteorological data, so we've taken that into account as part of the review.

Senator McMAHON: Industry's saying that it doesn't want to rush to the outcomes of this review and it would like to see the decisions be based on real-time evidence gathered during trial shipments. Does that not seem reasonable?

Mr Hazlehurst: We've received that feedback from industry and we're still considering it. I suppose you could look at it from the perspective that industry have said, 'We would like to have some ships go in the period that's currently prohibited, subject to those being in circumstances where animal welfare would be protected.' In other words, they'd like to conduct some experiments during those periods. Our starting point, when we're reflecting on that, is that there are already periods that have potentially opened up through the draft changes. These include periods within what's currently a prohibited period, subject to conditions that we believe would secure animal welfare outcomes based on that draft report.

The challenge with running a trial or an experiment is that, once the voyage has commenced, and the sheep have left Australia and are en route, if they then encounter temperatures which lead to undue heat stress on the animals which they're unable to deal with, we can't stop the experiment. We're having to take a very cautious approach to thinking through the opportunities to have ships leave in what are currently prohibited periods. It's true to say that the draft itself, if it were to be made into the new arrangements, would include having voyages leave in currently prohibited periods with some additional conditions. It's very similar to running trials.

Senator McMAHON: I will just take you back to my first question about the scientific evidence that went into making these decisions. The change on the prohibition dates recommended in this review, for example, to Qatar, is a change of one single day. I don't expect an answer, because you said you're going to take it on notice; however, I make the comment to you that I don't believe there's a single study in the world that would suggest changing a prohibition period by one single day is going to make a statistically significant difference to the outcome.

Mr Hazlehurst: I'm not familiar with there being a one-day change. The information I've got in the draft in front of me has, for Qatar, 'a period of an additional 10 days at the beginning of the prohibition period, and a period of seven days at the end of the prohibition period, where voyages could be undertaken, but with additional conditions'. Perhaps my colleague can enlighten me, but I'm not sure what the one day is referring to. Perhaps my colleague could enlighten me, but I'm not sure what the 'one day' is referring to.

Ms Hutchison: In the draft report there is a one-day difference between what the previous prohibition was and what the suggested prohibition was. I can certainly check whether that is intended or an error. But what Mr Hazlehurst says is correct: for Qatar itself there is the addition of potential for shipping with conditions for an extra 17-day period, or something similar to that.

Senator McMAHON: Yes, I accept that with the conditions there's a difference. But without the conditions there's a one-day difference. Now that just makes a complete mockery of this whole report. Honestly, it does. It paints it as absolute gobbledegook. So please take that on board when you're providing the scientific evidence behind these conclusions. Who has the final decision-making on the sign-off and adoption of these recommendations? Does that lie with the department or the minister?

Mr Hazlehurst: The making of the actual order is something that's done by the secretary. Naturally enough, we will consult closely with the minister on the final position.

Senator McMAHON: Thank you. Just swapping to cattle quickly: at last estimates I asked some questions around cost recovery, and there was a little bit of fuzziness about the figure. The minister had quoted some hard figures of, I think, \$5 and \$8 per head additional costs for cattle out of Darwin under the cost recovery model. Do we have any updates as to what those costs will be?

Ms Hutchison: Currently, we're looking very closely at the cost recovery arrangements for live animal export, including looking at the actual costs that are being charged to exporters and what the impact of the changes are. We made quite a number of changes this financial year in the cost recovery implementation statement, so we are looking very closely at that, but I don't have specific numbers for you.

Mr Hazlehurst: We haven't further updated the CRIS, for example, that would lead to there being different assumptions in future about if there were a certain number of voyages that a particular exporter was taking with a certain number of animals on certain routes. Those assumptions remain the same. Those costs that were published previously and the ability of exporters themselves to put their own numbers into that model are still the same.

Senator McMAHON: So, at the moment the assumptions and the calculations haven't changed from October last year. Is that correct?

Mr Hazlehurst: Not in relation to the fees and charges, no.

Senator McMAHON: There's concern among exporters that currently we're down around 400,000 head. There's a concern that that will significantly increase the per-head cost, obviously, because the fixed cost of running the department is the same, but the amount of head going out through ports is greatly reduced. Has there been any consideration given to that by the department?

Ms Hutchison: Yes, Senator. Volumes and through-puts are part of the considerations that the department makes in preparing for and making decisions about cost recovery for subsequent years. So, yes, we are looking at that.

Senator McMAHON: What is the overall expense of the Plant and Live Animal Exports Division forecast to be in 2022-23?

Ms Hutchison: It is outlined in the cost recovery implementation statement. The cost base has been stepped out for the forward years. We can definitely confirm that for you. I'll take that one on notice.

Senator McMAHON: Has industry been consulted on the figures on the costs of running the live animal exports division?

Ms Hutchison: There hasn't been an updated engagement with the industry since the 2021-22 Cost Recovery Implementation Statement. We consulted with industry prior to the 2021-22, and that stepped out the 2021-22 year plus the three subsequent years, I think—I need to check. That was undertaken then, but this year we have not yet had any public consultation or consultation with the industry about 2022-23 or 2023-24.

Senator McMAHON: Can I respectfully suggest that that may well be a very good thing to do as soon as possible.

Ms Hutchison: Thank you, Senator.

Mr Hazlehurst: Senator, yes, that process is due to happen in February and March.

Senator McMAHON: We're almost halfway through February, so I'd like to see that happen very quickly, given the time it takes to organise these things. What progress has the department made on regulatory efficiencies?

Ms Hutchison: I have an answer for a previous question that you asked. In relation to the one-day change for Qatar, I'm advised that an error was made in the prohibition for Qatar, so the change is to bring it back in line with the rest of the Persian Gulf. So, it was correcting a problem with that one-day change.

In terms of reform for the live animal export industry, there's been a range of work going on this year. There's been a number of processes that we've undertaken in streamlining the processes for assessing notices of intention to export. The advice I have so far is that that's reducing the assessment time of assessing those by 34 per cent at an average cost reduction of \$89 per notice of intention. Over that year, we expect that to be around \$26,000 for South-East Asian consignments.

We're also looking specifically at work with exporters of cattle out of northern Australia to South-East Asia to reduce the time frame required for providing information for notices of intention to export to better match the requirement for providing information to the department with the trading conditions in the north. I am advised that's progressing well, but I don't have a specific measure for you about benefits or improvements for that.

We are making a range of improvements around reducing the time taken to do administrative checking processes. For tag checks, for example, for cattle to China, we've reduced the time taken from around four hours to 13 minutes, which is a significant saving for time based costing to exporters. I don't have an aggregate on that.

There are a range of things that are progressing incrementally, and the department's focused on identifying and implementing changes where we can, as we find them, and making incremental improvements in that way.

Senator McMAHON: Did you say that had resulted in a reduction of \$26,000 per voyage so far?

Ms Hutchison: No, Senator, that was an average of \$89 per notice of intention. So across all of the processes for consignments to South-East Asia, it would be an aggregate of \$26,000 saving.

Senator McMAHON: \$26,000 in total?

Ms Hutchison: Yes.

Senator McMAHON: Okay.

Mr Hazlehurst: That's just one specific example. It's not our overall goal, of course. Some of the most important work that's been undertaken has been looking at ways in which we can adopt a more risk based approach to our regulatory assurance processes. There's been a lot of work happening closely with the sector to understand the way in which we are able to gather data to inform how we might be able to provide a lighter-touch regulatory approach to high-performing exporters and vice versa. Consistent with some of the recommendations that we've received from the Inspector-General of Live Animal Exports, we're looking at relying less on conducting audits and more on real-time and ongoing collection of data so that we can then modulate the approach we take to an individual exporter.

Senator McMAHON: The cost of operating the regulator has nearly tripled since 2017-18. Can you give me an example of what improvements to animal welfare this has resulted in for the live export industry? We're talking cattle here.

Ms Hutchison: Since the period you talk about, the department has undertaken a significant review of the Australian Standards for the Export of Livestock. A significant review was undertaken two years ago, and those changes were implemented. The first round of updates to that review occurred last year with additional changes

made at the end of last year to make that standard to improve the readability and the understanding. There has been a direct impact in the capacity of the department to be able to undertake important animal welfare targeted reviews in relation to animal welfare.

CHAIR: Senator McMahon, can I just flag that we're out of time on this sector and I've still got a couple of other senators wanting to ask questions. Can I give you one more question?

Senator McMAHON: I just wanted to clarify the answer to that question if that's okay?

CHAIR: Sure.

Senator McMAHON: I'm glad that it's allowed the department to carry out more reviews, but my question was specifically: what improvements to animal welfare has this resulted in for the live cattle export industry? How has it translated to the welfare of cattle?

Ms Hutchison: One example is looking at pen area allocation, which is how much space cattle get on voyages to make sure they have sufficient space to ensure their welfare. There have been changes made around preparation time, bedding and a range of other changes to ensure that the welfare of animals on export voyages is looked after.

Senator McMAHON: But has that translated into improvements in welfare? The pen size is a very good example, because I would put it to you that there are very good scientific arguments that increasing pen size is actually a negative animal welfare outcome.

Ms Hutchison: If there is that evidence, Senator, I'm happy to have a look at it. The department has looked at a range of information that demonstrates that increasing pen space for animals benefits them and their ability to access water and feed, and to be able to stand and lie down. From the evidence the department has looked at, there is good evidence that pen area allocation is an important indicator of welfare outcomes for animals.

Mr Metcalfe: Senator, we know very well your strong interest in this area and your support for the industry, so I think to do justice to your question we should take it on notice as to what benefits have accrued or what activity has occurred. I'd also recommend that you look at the activity of the Inspector-General of Live Animal Exports. That was a key recommendation from the Moss Review, which was a major outcome of the *Awassi Express* incident. The inspector-general has been active not only looking at the industry but looking at our performance. I think our response on notice will reference appropriate commentary and the work plan of the inspector-general.

Senator McMAHON: I was just about to suggest that maybe you take that on notice because you haven't been able to provide for me any actual real demonstration of improvements to animal welfare today. I would like you to take that on notice and come back to me with an answer to that question.

Mr Metcalfe: We certainly will.

CHAIR: Senator Faruqi has to go, so I'm going to go to her. But I do have a couple of questions on this topic if we could come back to it after Senator Faruqi.

Senator FARUQI: I have questions for horse traceability, which is the biosecurity division. You go ahead and ask questions.

CHAIR: Are you sure?

Senator FARUQI: Yes.

CHAIR: Thank you. I will be very brief.

Senator FARUQI: Otherwise we'll have to change staff.

CHAIR: Well coordinated. Thank you. On the consultation for the changed dates you said that you'd had 700 submissions. Were they all unique submissions or were some replicated?

Ms Hutchison: There was definitely a campaign of some sort. There were a lot of repeated submissions that used very similar language, which would lead to a concerted campaign.

CHAIR: Were those supporting the changes or increases to the length of time of the moratorium or against it?

Ms Hutchison: In general, my understanding is that the campaign submissions were not supporting any changes to the prohibition.

CHAIR: Just leaving it as it is?

Ms Hutchison: Yes. But, as from a previous question, we will get a breakdown of those.

CHAIR: I appreciate the difficult role that the department is in. You have people like me, who support the very high standards of animal welfare requirements for Australian live export, and I'd like to see overseas

countries taking our cattle and sheep in preference to sheep and cattle from Sudan, South Africa or Brazil, which don't have anywhere near our standards. You have the competition against Animals Australia and others, who are on the other side of the fence. I appreciate the challenge. I was just given this FOI document. We talked about FOIs a bit earlier today, but I'm now the happy recipient of an FOI document of the department. It's around consultation for the department and the amount of consultation from Animals Australia and the RSPCA. Do you think that you've become captive to the anti-live-export part of the society? Captive is not the right word. Do you feel under pressure from them and the amount of communication, because I note there is not the same amount with the live export industry?

Mr Metcalfe: I will answer that. It's very clear just from the views and questions of different senators that this is an issue that does attract significant public interest. We as a regulator have to remain independent. The standards that the government and broader society expect are that as a regulator and with the independent role that we have, which ultimately culminates with the statutory role that I have, that we do so based on the best science, that we do so in a consultative manner, that we are fair and balanced. I'm very confident that the department does achieve that balance, that we are not captive of one interest group or the other—indeed, I think it's almost demonstrated by the strong views that Senator Faruqi has questioning our activities and the strong views that Senator Canavan has questioning our activities. It almost indicates that we are sort of in the middle and seeking to engage in what is a serious issue.

We understand the significance of the industry and the economic role that it plays, particularly in parts of northern and western Australia. But at the same time we're very conscious of the animal welfare issues. Tragically, we have seen some terrible things in the past. We mentioned the *Awassi Express*. We have seen scenes from abattoirs in Indonesia in the past. There's a lot of history around this. We are seeking to take a very balanced, responsible, science based and consultative approach. I'm very confident of the professionalism of my staff as they go about that particular task.

CHAIR: That is terrific. I notice in one of the emails that one of the department officials has said that they would remove themselves from the meeting because they were conscious of not overconsulting or being seen to overconsult with one sector over another. I appreciate how difficult it is. I flag that.

Moving to the conditions of the exempted sheep during the moratorium last year: I was really concerned as a stock operator that, just a night or two nights before the ship was to leave, a new condition was applied around weight. I would like you to talk to the evidence that says that animals over 50 kilograms are going to be more subject to heat conditions or stress. The reason why I'm concerned is that that would have been an additional imposition on the stock right before they got on a ship—quiet handling, less handling. The very condition might have imposed greater stress on the animals. Given that the heavier animals are generally younger, they probably would have stood up to conditions better. I'm just hoping that you can point me to some science that says that animals over 50 kilos shouldn't have been allowed on the ship.

Mr Hazlehurst: I think we can certainly take that on notice and provide a detailed answer on the science around the weight of animals and their susceptibility to heat stress. There's very clear evidence for that in the science. I'm not aware of that having been challenged previously. If you're going specifically to the question of the exemption that was granted to the *Al Kuwait* by me, those were of course extraordinary circumstances. An exemption was granted on the basis, first and foremost, that there were exceptional circumstances. Chief amongst the considerations was, critically, whether, with the conditions that were applied, the sheep would be largely at the same level of risk as they would have been if they had embarked before the prohibition period. One of the considerations that went into that was the weight of the sheep that were loaded. That was on the basis that heavier sheep will do worse with heat—in the same way, of course, that sheep with heavier wool will do worse.

CHAIR: Thank you. If you could provide that data to me I would appreciate that. My last question has just disappeared from my head. It was an excellent question. You would have enjoyed it. It would have been illuminating and intelligent. It would have shown me in a good light!

Senator CANAVAN: I'm sure you're aware, Secretary, of the AAT decision last December regarding Emanuel Exports. I believe the ruling in that decision was that Emanuel Exports would be readmitted or reprovided with its license. Has that happened?

Mr Metcalfe: I'll need to check.

Ms Hutchison: Yes, it has. On Saturday 4 December the export licenses of Emanuel Exports were reinstated as per the AAT decision.

Senator CANAVAN: Were there any costs ordered in that case?

Ms Hutchison: I'll have to check on notice.

Senator CANAVAN: You or the government aren't appealing the decision?

Ms Hutchison: No.

Senator CANAVAN: I had a quick read through it before Christmas. Is there anything you need to review within the department about what went wrong here, given you lost the case?

Mr Metcalfe: We might take on notice if there were more detailed questions, or indeed people can read the AAT decision. My recollection was, essentially, that the AAT found that the decisions taken by the department to originally delist the organisation were appropriate, but that, given the effluxion of time, it was appropriate for them to be reinstated. Effectively, the department made the right decision but things have moved on and it's now time for them to be able to re-enter the business.

Senator CANAVAN: You might want to take that on notice, perhaps.

Mr Metcalfe: That's a very simple paraphrase.

Senator CANAVAN: Yes, I think there might have been a little more detail on that.

Mr Hazlehurst: To be clear, the AAT actually did include that the Emanuel Exports did cease to be a body corporate of integrity, but that with the time that had passed it has now sufficiently rehabilitated itself so as to resume its status as a body corporate of integrity.

Senator CANAVAN: More generally, I am concerned that you seem to be taking the lessons of the *Awassi Express* as ones where the industry as a whole has been somewhat found to be deficient when there has been clear evidence provided since that documentary that the incidents may have very much been the result of payments offered by Animals Australia to actually hurt animals. It seems to me you are putting all the blame on the industry. I know there has been no prosecution of these things, but there is a lot of evidence that Animals Australia played a hand and a role in hurting animals on that boat, and it was not a systemic industry issue. I really hope we are not doing regulation through media—

Mr Metcalfe: Far from it.

Senator CANAVAN: because, yes, there was a lot of controversy over that media report, but you can't always believe what you see, hear or read.

Mr Metcalfe: I completely agree with you on that. The simple fact is following that matter there was a major inquiry undertaken by Mr Moss. The department has been acting, we hope, as a very good regulator in what is not an easy industry to regulate. As I said before in relation to a question from the chair, we do seek to find science-base, law base and a consultative base. We are not perfect step you made some comments today about consultation that we will certainly take on board, but I can assure you that the long history of these issues, including way back well over a decade, lots of lessons have been learned by the department, by industry, by many people and we are seeking to do the best we possibly can to allow the industry to continue in a way that provides, as the chair says, the highest standards of animal welfare for exports in the world. Many other countries are simply nowhere near the level of confidence in the quality of the industry that Australia can provide.

CHAIR: I think we should be doing more to demand other countries meet our standards so that we are competing on a level playing field.

Ms Hutchison: I can tell you that no costs were ordered.

CHAIR: Finally, on that weight drafting, 26 animals died on that voyage. None of them were heat related; they were all stress and related to injuries in the drafting. I am happy for you to check that and you can take that on noticed.

Mr Hazlehurst: There certainly weren't any that were identified as being as a result of heat stress.

CHAIR: I know you get pressure from other sectors of society wanting standards, but I am flagging that this has resulted in animals dying because they did not observe animal welfare standards that producers and animal growers would understand—not drafting sheep just prior to shipment like that is not ideal. I would not like to discuss that; I can tell you that that is the case. Twenty-six animals died as a result of the additional handling.

Mr Hazlehurst: The evidence from the basis upon which the animals died on the ship is not as clear-cut as you are describing, Chair. But we can provide you with more information.

CHAIR: I am suggesting that it is. Let's both of us come back with our evidence.

Senator FARUQI: It's just not the mortality that's important in terms of animal welfare; it is what the animals actually feel, even if they don't die excruciating deaths, that is considered in animal welfare standards.

CHAIR: You commented on using technology for real-time and immediate reporting. I think that is fantastic. I used to do that with my butcher shops rather than having someone go around and do temperature measurements; you can have real time. This is where machines will go out. I love it. I wonder if we are going to get to a point where we can replace independent observers with real-time video and scientific observations, so everybody knows what is really going on, and in the high standards that we are achieving can be recognised. We could get away from the sad stories.

Mr Hazlehurst: We're certainly engaging with industry on that. You may be familiar that we have put out what has been described as a challenge through the Business Research and Innovation Initiative that the Department of Industry, Science, Energy and Resources runs, put out to the private sector to come back with innovative solutions to on-board monitoring. We've recently funded five companies to provide proof of concept around different modes of providing that kind of assurance—in addition to working directly with industry, for them to come back to us with innovative ideas. We don't want to be prescriptive about that, but it's looking at ways in which we could have a similar level of assurance to having an independent observer.

CHAIR: Terrific. I'll put the rest of my questions on notice.

Senator FARUQI: I just have a few questions on horse traceability. I think it's the Biosecurity Division.

Mr Metcalfe: Just while officials are coming to the table, we often talk about some of the more significant pests. So if senators are interested, I have just brought along, it's not the sort of thing I would table, but if you actually want to see what a Khapra beetle looks like, we've got a dead and preserved Khapra beetle here, or a brown marmorated stink bug. And I have a giant African snail, which you certainly don't want on your table.

I thought it might be useful in terms of the work that our colleagues do, our biosecurity staff. We work closely with industry and others to try and detect quite often miniscule pests, as well as viruses and other things, in order to try and protect Australia's environment, protect our agriculture and indeed protect our enjoyment of life. Brown marmorated stink bugs are a major focus for us because not only are they a major pest in terms of agriculture but they are also a household pest, and keeping them out of the country is a constant battle. So over the break, or whenever, we have got some examples that we would be happy to share with senators.

CHAIR: I'm sure all the senators would be pleased to go and see these bugs up close.

Senator CICCONE: The minister was as shocked as I was.

Mr Metcalfe: You don't want these in your garden or your farm.

Senator FARUQI: In November the government announced that it would provide \$1.1 million for the establishment of the horse traceability the arrangements. I'd like to know how that money will be spent, and has any of it been allocated yet?

Ms Laduzko: Yes, the government did announce a contribution of \$1.1 million to progressing the horse traceability agenda. That money is profiled against two years, 2022-23 and 2023-24. At the moment we indicatively have allocated \$300,000 to support the efforts through Victoria in taking this agenda forward. But at the moment we have not concluded what we will use it for, because we are not quite at that point yet. For example—just to go backwards, if you don't mind—Victoria commissioned a consultant to do a report on potential options for horse traceability.

Senator FARUQI: So that money has gone to that report?

Ms Laduzko: Not yet. They have done the report. It has been given to the working group that's looking at this. As you know, we allocated an initial \$50,000. We are intending at this stage to use that \$50,000 to support a more targeted process of stakeholder engagement about the options presented in the report. That will guide what we do next. Next steps will be critical. It could be that we support a pilot in a certain area to test or otherwise support. At the moment we don't want to precommit what that money will be used for specifically, but it is definitely sitting there waiting for the next steps to help this agenda along.

Senator FARUQI: Are you anticipating that some of that money might be actually used in the implementation of the register, or is it just for the design and planning?

Ms Laduzko: Potentially. I think the issue is we are just—if the consultant's report puts a number of options out there including how to best to leverage existing arrangements, we have the property identification code arrangements that exist in the livestock sector already. Some of that money could go to working out how well you would connect those up and add additional information for horses or it might go needing a completely different database. I would imagine that requires a bit of conversation and I think we've briefed before that, ultimately, regulation in this space is a state and territory matter. Agricultural ministers will need to consider where they want it to go, but the money is there. It is there to support efforts.

Senator FARUQI: Do you know how much the fees for that consultant were for producing that report?

Ms Laduzko: I would have to take that on notice, because my understanding is that Victoria bore the entire cost of that consultancy.

Senator FARUQI: You just said that report will go through a period of public consultation?

Ms Laduzko: The report has been provided to the working group, and if you give me a minute to check my texts—I was just checking on the nature of engagement. Yes, the consultants went out and did some engagement with industry in reaching their position. Our intent would be to be to say, 'This is where the report concluded; it presented a number of options,' and have another cycle of consultation on its options.

Senator FARUQI: Just with industry or with other stakeholders as well?

Ms Laduzko: All relevant stakeholders, so, no, it wouldn't be tied to industry per se, because there are a number of very interested parties in this agenda. That would probably round out a more fulsome set of advice to agriculture ministers about where they might want to go.

Senator FARUQI: Could I suggest, given that there was so much interest in the inquiry when the Senate held the horse traceability register, that you open it up for submissions and have a period of public consultation.

Ms Laduzko: Yes, I think we'll take that.

Senator FARUQI: That would be really good. Do you know what expertise Marsden Jacob—I think they did that report—have in agricultural or animal matters?

Ms Laduzko: That's a good question. I would rather come back with a specific on-notice response, if you don't mind.

Senator FARUQI: Okay, sure.

Ms Laduzko: They have worked in this space in various guises before, so they are not unfamiliar with it. They're not like our big four consultants who may be coming in cold to this issue, but I'd rather take on notice their specific expertise.

Senator FARUQI: That'd be good. Last time I was informed that the working group was due to report back in mid-2022; is that still the case?

Ms Laduzko: That's still what the working group is aiming for. Obviously, as you've alluded to and as I've mentioned, having this report and a further engagement process is an important step. Hopefully, that will be timed around meeting that deadline.

Senator FARUQI: This report is really the basis of what will happen next; is that what you're telling me?

Ms Laduzko: The report is presenting four options. As you know, everything comes with different costs and benefits, so I think they're a reasonable set of options for us to have another cycle of engagement with interested stakeholders on.

Senator FARUQI: If you could just take this on notice: you said in preparing the report, the industry was consulted. Could you provide me with a list of who was consulted?

Ms Laduzko: We will work through Victoria and the consultants to extract that.

Senator FARUQI: Whether it was Australia-wide, I'd like to know who was consulted other than the industry.

Ms Laduzko: Certainly, Senator.

CHAIR: I believe that brings us to the end of section 4.

Senator CICCONE: We've got questions on biosecurity, Chair.

CHAIR: My apologies. Will you ask those, or will Senator Sheldon?

Senator SHELDON: I'll kick off.

CHAIR: We're going to have an afternoon tea break at quarter past four, Senator Sheldon.

Senator SHELDON: I know; I've been warned.

CHAIR: It's a target.

Senator SHELDON: Good afternoon. It's good to see you all again. Can the department provide a list of where all the biosecurity detector dogs are currently located?

Mr Tongue: Certainly we can, and I'll ask Mr Hunter to come to the table. I think we have a full fleet of dogs at the moment—42—but I'll ask Colin.

Mr Hunter: In answer to your question, we have seven dogs in Brisbane, 19 in Sydney, 12 in Melbourne and four in Perth. I think we have another six in training as well.

Senator SHELDON: Can the department confirm how many biosecurity detector dogs are working in mail centre locations? Are you able to do that state by state, or territory?

Mr Hunter: We have four international mail centres as core gateway fatalities—Sydney, Melbourne, Brisbane and Perth—and we have detector dogs working in every one of those locations.

Senator SHELDON: Can the department confirm how many biosecurity staff are working in the mail centre locations; again based on the state or territory would be helpful?

Mr Hunter: In Perth we have nine officers, in Melbourne we have 21 officers, in Sydney we have 76 officers and in Brisbane we have six officers.

Senator SHELDON: In the mail centres?

Mr Hunter: Yes, but in saying that, in some of those smaller locations like Brisbane and Perth, they would work across a range of functions. They could work in the airports and they could work on cargo duties as well; it just depends on the pattern of mail. But certainly the base numbers that I've given you are a really good indication of what we have in the smaller locations such as Perth and Brisbane.

Mr Tongue: Sydney is by far the largest gateway facility. That is where the bulk of mail from, say, China would come. We've seen, because of COVID related disruptions, a switch between mail coming on aircraft and mail coming in containers. That has forced both Australia Post and ourselves to change our posture a bit so that we're managing risks appropriately.

Senator SHELDON: So I'm clear on the 76 in Sydney, you mentioned before that there are some dual jobs that people do. Have you got a breakdown of how many are dedicated to the mail centres and how many do multiple?

Mr Hunter: I'd have to take that on notice to be absolutely certain because obviously, with the location of the Sydney gateway facility, we sometimes send people out on cargo inspections from the mail centre. But I want to be absolutely certain. My information is that I have 76 dedicated to the mail facility in Sydney. Whether or not there are other officers there or those 76 perform other functions I'd have to take on notice.

Senator SHELDON: Could you do that for the other ones as well?

Mr Hunter: Absolutely.

Senator SHELDON: How many detector dogs and staff are currently located at ports and airports? Are you able to give me a list of locations and numbers of dogs and staff?

Mr Hunter: Yes. I gave you that breakdown before on states and I will see if I've got the breakdown on airports and mail centres and ports.

Mr Tongue: I'd note that we did redeploy both staff and dogs as a result of the collapse in passenger numbers. We took the opportunity, because mail volumes went up, to redeploy to ensure that we were covering the risks.

Mr Hunter: I don't have that information on me at the moment, but I'd be happy to take that on notice and to make sure that I am absolutely certain because, as every day goes by with airports opening up to the extent they are, we're repositioning dogs back into a lot of those locations.

Senator SHELDON: What about ports, seaports?

Mr Hunter: We don't generally have a presence of dogs at ports, although the dogs do go down on roster when cruise ships are operating and clear passengers that are disembarking our cruise vessels. But at ports it's much more in an experimental phase where we're using them to look at screening for vehicles that come into the country, looking for brown marmorated stink bug and the like. They're very much on a roster, rather than being specifically deployed to cargo operations as opposed to airports and mail centres.

Mr Tongue: One of our clever dogs recently was deployed at a port as part of this experiment and found a brown marmorated stink bug. I think Mr Metcalfe has the samples there.

Mr Metcalfe: They do stink, those stink bugs.

Mr Tongue: But the clever dog found a brown marmorated stink bug, so plenty of Pal for that dog that night!

Senator SHELDON: I'm keen to know what the plan is at airports and ports when activity increases. You touched on that before, Mr Hunter, which was helpful. What is the plan? Can the department explain what planning has been or is being done for when domestic and international airline travel increases and port activity increases?

Mr Tongue: To begin, numbers at the moment are in the thousands across all the airports. With the announcement of international travel returning, we're working closely with the Department of Home Affairs and the airports to try to predict volumes. It's quite difficult of course to predict volumes, but Mr Hunter's team is planning a gradual redeployment and rebalancing.

One of the things here is what Australians and international travellers will do: will they start spending their money on international travel and not buying things online, or will they spend their money on international travel and continue to buy things online? So we've got to be a little bit flexible.

Mr Hunter: In relation to the specifics and for a little bit of context, in March 2020 over 72 per cent or 350 biosecurity officers were redeployed out of international airports because of the COVID situation and the lack of aircraft arrivals and tourists et cetera. As at January 2022, 38 per cent of those officers are now back in international airports, and our plan is to scale up, commensurate with the tranches and the phases that the government has agreed through national cabinet. We are confident that we will have the necessary staff in place, including detector dogs and ancillary staff that we need at international airports, to operate all airports as they open up, commensurate with the arrivals that we'll see and the predictions and forecasts given to us by industry as well as Home Affairs and others.

Mr Tongue: Out of the budget we were given funding for additional staff, so we've just completed a recruitment round for 90 additional staff. We're also monitoring our attrition rate in the economy. Because of the low levels of unemployment our staff are attractive prospects for anybody in the logistics business, and so Mr Hunter is planning further recruitment rounds to ensure that we're as full as we can be, if you like, against our staffing base.

Senator SHELDON: Thanks for explaining the complexities there. On the biosecurity dogs and the staff/trainers that are located at mail centres, you mentioned there's some overlap there. Are some of the people going to be taken out of there and put into the airports and ports? I appreciate you said that how that would operate is still being considered, but is that going to be reduced at some point to some degree whilst you're making a decision as to the degree to which it will be reduced?

Mr Hunter: We've had a pretty static base of detector dogs throughout the COVID experience. But the important thing with detector dogs is that you have to keep them busy. If you can't keep them busy then they lose all of their training and the like. So what we did is we took a conscious decision to make sure that we could keep them busy. We redeployed them to international mail centres, where we increased our screening capability, effectively, at international mail centres. What we will do is we will transition those animals and their handlers back to international airports, commensurate with the risks and the risk profiles and where we get the best return for the dogs. In the main it's fair to say that, with Sydney having the largest passenger traffic arrivals in the country, you're going to see the largest number of detector dogs from our fleet deployed there, and so on with Melbourne, Brisbane and the like. Hopefully that answers your question.

Mr Metcalfe: There are other dimensions to this as well, in that, increasingly, we are trialling and being very confident in our use of X-ray technology to identify items of biosecurity risk. Certainly there are advanced trials, as I'd describe them—but my colleagues may provide more detail—at the Sydney gateway centre. We are really pleased with the progress we've made in how the algorithms can be developed to understand organic materials and things that are of concern, particularly through using dual-energy X-ray absorptiometry, a 3D X-ray type of technology. The overall effort of people, biosecurity detector dogs and technology are constantly developing so that we can best meet the needs of the border and protect us from pests such as these ones here.

Mr Tongue: Certainly, in the last budget, we were given additional money to purchase trial 3D X-ray machines. We've had one machine at the Sydney gateway mail facility. We've purchased a second machine, which I think is waiting to be installed at the gateway mail facility. It's a very dense—I'd call it semi-industrial—logistics environment, so we have to work with Australia Post on how to install the machines. But the early trials are really positive for us.

Senator SHELDON: How many additional staff and additional dogs have been working on the mail over the past two years? Have you got those figures?

Mr Hunter: How many additional—

Senator SHELDON: You mentioned before, and Mr Tongue as well, that there's been a movement of people to those centres. You mentioned the dogs, of course, and having to keep them active and trained. What are the numbers for the last two years of those that were moved from the airports and ports to the mail centres?

Mr Hunter: I'd have to take the specifics on notice for you. I've got the broad details of 350 officers deployed, the vast number of our detector dogs taken out of international airports and put into our mail gateway facilities

and even, for example, some X-ray machines redeployed, because we could. But I'd have to take the specifics of that on notice.

Senator SHELDON: If you could, that would be helpful. I want to go to some matters with regard to pests and weeds. In January this year, the minister announced \$20 million for pests and weeds. Could the department confirm which program this funding has been allocated from.

Mr Tongue: This is a new allocation. From 2014 to 2024-25, the federal government has committed nearly \$350 million to pests and weeds. Through the biosecurity function, we've received about \$170 million to disburse. The \$20 million the minister announced was conditional on an agreement with states and territories to match the Commonwealth dollar for dollar. So there's \$20 million Commonwealth dollars and a matching amount from states and territories. We worked with the states and territories as they applied for their share of the \$20 million. Now we're working through the detail of that allocation with the states and territories—

Senator SHELDON: I didn't want to cut you off midstream, but did it come out of the agriculture budget or the environment budget?

Mr Tongue: It's what we call 'tenure neutral'. One of the challenges with established pests and weeds is, if you give money to farmers, producers to, say, tackle wild dogs, they can do that, but often it's the case that the wild dogs retreat into the national park. So the government made the decision to make the funding tenure neutral, to create an environment where we could go at it on what I call a 'landscape scale' and try to manage the pests and weeds with local land managers, natural resource management organisations, local land services and so on.

Senator SHELDON: It wasn't quite—I appreciate the information. I am finding it particularly interesting, actually. It might be strange for other people, but I think it's quite interesting. I'm naively going to ask you this question: when you say 'tenure', does that mean it's new money, and does it have any impact on whether it comes from the agriculture budget or the environment budget?

Mr Tongue: Sorry, I should have explained. Because it's in the nature of a Commonwealth-state arrangement, the money is held by the Treasury. What we had to do was prove to the Treasury that we had the dollar-for-dollar deal. The Treasury will then release the money.

Mr Metcalfe: The government, in bringing together the old departments of agriculture and environment, has meant we're looking at the entire landscape, whether it's from a productive agricultural perspective or from an environmental one, because so many issues are common, whether it's soil or water or biosecurity. So this is an example of that joined-up thinking, rather than it being just for ag or for environment. It's for everything, because it's all connected.

Senator SHELDON: When will the funding be made available?

Mr Tongue: We're currently working furiously with the states and territories around their implementation plans. The minute that negotiation is complete, the money will be released by the Treasury.

Senator SHELDON: Is there an expectation of when that might be complete?

Mr Tongue: I'll turn to my colleagues and see if I can get you that advice.

Ms Scholfield: The funding, at this stage, should hopefully be signed off in March and be made available to states and territories in May.

Senator SHELDON: On the breakdown of funding across the forward estimates, you might explain the tenure—have I got the right language?—or how the funding will actually work in the forward estimates and how that impacts or doesn't.

Mr Tongue: At the moment, it's profiled as \$4 million, 2021-22; \$6 million, 2022-23; \$5 million, 2023-24; and \$5 million 2024-25.

Senator SHELDON: Are you able to give us a breakdown on how much funding each state and territory will provide to this measure?

Mr Tongue: I'm happy to take that on notice.

Senator SHELDON: Is that one of the aspects that haven't been agreed to—dollar for dollar how that's going to be broken up from your end?

Mr Tongue: Yes.

Senator SHELDON: Is that still fluid or is there an outline?

Ms Scholfield: At this stage, we have, I think, \$47 million worth of proposals that we're currently considering, and I think we have pretty much exactly \$47 million being offered up in return. So we're actually having to go through a selection process to determine which ones we will and won't fund, noting that it is a \$20 million opportunity.

Senator SHELDON: Have you taken an approach that there is a certain location, state? Obviously, if a state is putting money in dollar for dollar, there is an expectation that the projects they see as high priority will be given a high priority. However that means how much money they get for the project that's coming forward is another thing. Have you broadly thought about what is the breakdown for the states' share of the pile? Would Tasmania get the bulk of it? Would New South Wales get the least of it?

Mr Tongue: Different states are matching at different rates. All jurisdictions are pitching at slightly different pests and weeds. That's one of the things we've got to work through with the states and territories now, because we want the biggest possible impact. That's got to be modulated against Victoria being three per cent of Australia and Queensland being 22 per cent of Australia, so we're working through that at the moment. I'm happy to take on notice the detail.

Senator SHELDON: Would you again just explain the process? With the \$47 million worth of projects that are being considered, is there some form of public consultation? Is there an opportunity for us to know what those \$47 million worth of projects constitute?

Ms Scholfield: Can I get you to repeat that, sorry?

Senator SHELDON: Is it possible to share with the Senate the \$47 million worth of projects that are being proposed?

Ms Scholfield: I will obviously have to get agreement from the state and territory government officials that they're willing for us to table that information, but I don't think that would be a problem, because we have already had a discussion, off the Environment and Invasives Committee, around all of the proposals that were submitted.

Senator SHELDON: I want to go to some questions with regard to the Inspector-General of Biosecurity reviews.

CHAIR: That means that the department will go, with our thanks.

Senator CICCONE: Just to clarify, I think there are some questions about the reviews into the inspector-general, not questions to the inspector-general itself. There are other matters with respect to biosecurity as well.

CHAIR: So the department is not excused yet. We'll keep going.

Senator CICCONE: I might just quickly go to some of the questions with respect to the funding. We know the government's decided not to adopt the biosecurity levy. Can the department provide an update on the work it's undertaken to come up with a more sustainable funding arrangement for biosecurity?

Mr Tongue: Certainly. A number of stakeholders have raised issues about long-term funding for biosecurity. We've acknowledged the challenge in the Biosecurity 2030 strategy. We're working at the moment on a number of areas. One is the adequacy of our existing funding base. Are we charging enough for those areas where we currently cost-recover? We have begun initial conversations about a number of areas where we work but don't cost-recover, for a variety of reasons. We're also working on potential future sources of revenue.

All those processes are shaped by government policy to do with cost recovery. My export colleagues talked about the cost recovery implementation statement, so we're working through a process around those three blocks.

Senator CICCONE: Is a user-pays system being considered?

Mr Tongue: The system at the moment has aspects of user pays. If you want us to inspect a container, you pay an amount. If you want us to come to your cold store, we charge you.

Senator CICCONE: I think you know where I'm going with this. Is a user-pays system being considered?

Mr Tongue: I think we're saying it's partly a user-pays system in that, if you want to import your dog or cat, or your tractor or whatever, there's a cost recovery of our regulatory services, but we don't believe they have kept up to date with the reality of the modern economy, particularly whether we can move a lot more into trusted relationships, where we are confident in the quality that people undertake. There's a real issue of the users-of-the-service pay, ensuring that that's appropriately distributed, and the appropriate balance between what is a function of government as opposed to a function of the user of the system. So those are all the matters that are currently well and truly being looked at.

Senator CICCONE: When do you expect the work to be completed?

Mr Tongue: The work will roll out over the next couple of years—over the next three years. That is our plan.

Senator CICCONE: Chair, I've got some other questions. Maybe that would be about five or so minutes.

CHAIR: Is everybody happy to wait five minutes and then go to a short break? Terrific.

Senator CICCONE: I want to touch on flowers and cut flowers.

Mr Tongue: Certainly.

Senator CICCONE: I'm interested in knowing more about the flowers that come from overseas destinations. How many flowers and cut flowers are imported into Australia each year?

Mr Tongue: I'll ask Dr Parker to answer that.

Mr Metcalfe: Is this a Valentine's Day question?

Senator CICCONE: I was about to say that this is probably delayed by a day, but I'm sure there were a lot of flowers imported for yesterday.

Mr Tongue: Because of the disruption to global air travel, the market was disrupted around Valentine's Day.

CHAIR: That explains it!

Senator CICCONE: No roses?

CHAIR: Mine didn't arrive.

Senator CICCONE: Your roses didn't come?

Mr Tongue: And I struggled to find any.

Senator LINES: Oh, rubbish. There are thirty local markets that I'm sure you're going to tell us about.

Mr Metcalfe: Yes. He's not a very reliable witness, Senator.

Senator LINES: You'll have to tell me about that snail.

Mr Metcalfe: We talked about the snail. I'm very happy to talk during the break. I've got some other props as well.

Senator CICCONE: Hopefully not Joe the pigeon. Is he still alive, or is he dead too?

Mr Tongue: We're trying to track him down. He's avoiding us.

Senator CICCONE: Sorry—I don't want to distract you. Let's go back to flowers and cut flowers. My question was: how many are imported into Australia each year?

Dr Parker: I will have to take on notice the exact number and the exact volume.

Senator CICCONE: Can I have a ballpark figure?

Dr Parker: Again, I'll have to take it on notice. I will provide it in the next little while.

Mr Metcalfe: We can certainly try and help you during the course of today.

Dr Parker: Absolutely.

Senator CICCONE: Which countries import their product of flowers and cut flowers into Australia, and what is the value of this import commodity? I don't know if you've got that also at hand.

Mr Metcalfe: We'll come back with all of that.

Senator CICCONE: Can you explain how flowers and cut flowers enter Australia from overseas? Is it mainly by boat, by plane or through the post?

Dr Parker: The vast majority are flown into the country. There are a number of different supply routes they come from. We take flowers from Kenya, Malaysia, Colombia and Ecuador, and the vast majority come in on aeroplanes.

Senator CICCONE: I want to understand more about the rate of noncompliance of these products that come to Australia. I'm told—and this could be wrong—it could be in the range of 60 to 40 per cent, or somewhere around that. Is that your understanding of noncompliance?

Dr Parker: Those figures are not accurate as per the moment.

Senator CICCONE: What advice can you give me, then?

Dr Parker: The advice I can give you is that the percentage of consignments intercepted with pests of biosecurity concern was 11 per cent in August 2021 and 12.95 per cent in December 2021.

Senator CICCONE: That's of products that you identified, but are there any products that come to the country that don't go through that?

Dr Parker: No. Every single consignment of cut flowers that comes into the country is inspected by our officers. Where pests or diseases of quarantine concern are detected, they are treated, destroyed or re-exported as per the legislation.

Mr Tongue: We have a 100 per cent intervention rate.

Senator CICCONE: Perfect. I'm assuming you hold a range of data about noncompliance. Are you able to share that with the committee? You can take that on notice.

Dr Parker: I can give you a quick precis now, if you would like.

Senator CICCONE: Go for it.

Dr Parker: We've seen a 79 per cent reduction in consignments intercepted with pests of biosecurity concern, from 56 per cent in September 2017 to 12 per cent in March 2021, so there's been a significant reduction in the amount of noncompliance that occurs across that pathway. I can give you a more fulsome answer and month-by-month data if you require that. I'm quite happy to.

Senator CICCONE: Yes, if you could take that on notice, maybe for the last financial year, confirming the rate of noncompliance and also that list of the countries from which there is most noncompliance.

Dr Parker: Certainly.

Senator CICCONE: Can you explain to me what the biosecurity risk to Australia is when flowers are deemed to be noncompliant? What pests or diseases come into Australia? I should also add—

Dr Parker: Well, it becomes a discussion about where you say 'comes in'. I would contend that the pests and diseases don't come in, because they are detected at the border and dealt with, where we have seen pathways that might be dirty, if you like. Certainly, the cut-flower pathway was a pathway that had significant pests of quarantine concern on it, which is why we took significant action with industry to reduce noncompliance.

Senator CICCONE: So they're stopped at the border?

Dr Parker: Correct.

Senator CICCONE: Where are these pests or diseases coming from?

Dr Parker: They're usually insects. That tends to be the most common bug of concern that is detected. As I said, on notice, I'll provide you with which countries and what sorts of levels of noncompliance we've got.

Mr Metcalfe: They're a classic hitchhiker pest in that they infest the flower or they get onto the stalks or inside the petals and come along for the ride. How we can detect them, stop them and work with the industry so that they're not there in the first place is a lot of the work that Dr Parker and his colleagues have been doing.

Dr Parker: We sometimes see weed seeds, as well, that are caught in petals or foliage and those sorts of things. There's a range.

Senator CICCONE: Do you have an idea of how many are actually imported by post? Is that a thing?

Dr Parker: I don't, but I will ensure that you do in the next little while. I'll take that on notice.

Senator CICCONE: How does the department monitor whether a parcel contains plants, cut flowers or flowers from overseas destinations? Do you work closely with the ABF?

Mr Tongue: If it's Australia Post—and mostly it would be—that goes back to dogs, depending on the range of things they're trained to detect, and 3D X-ray machines. We don't intervene with every mail item, but we intervene with millions of mail items. We're looking at them, and if there's an item of biosecurity concern we will pull that mail item out, advise the sender and give them the option to destroy, re-export et cetera.

Senator CICCONE: If someone wants to purchase flowers from overseas—and I don't know why but just hypothetically—is that something that's possible?

Mr Tongue: People might order from overseas. We're also working, for example, with eBay. We're constantly looking at the pathway, noting that the legislation says to reduce the biosecurity risk to Australia to as low as possible, but not zero. So, we're constantly trying to find a balance.

Senator CICCONE: I think that's it from me with the flowers, Chair.

CHAIR: Do you have more questions for outcome 4?

Senator CICCONE: Senator Sheldon might have a few questions on some of the reviews of the inspector-general. Then that will be it for us.

CHAIR: Would you like to keep going, Mr Metcalfe, so that we can—

Senator CICCONE: Just for a few more minutes.

Mr Metcalfe: We're in your hands, Senator. The officers will stay anyway over the break.

CHAIR: I should have asked, Minister, do you have to be somewhere during this break?

Senator Hume: No, and I think the contribution I'm making here is invaluable!

CHAIR: Absolutely! Perhaps Senator Sheldon, if you ask your questions, we'll have a short break at the end of that period and we can release the department and can come back with the inspector-general.

Senator SHELDON: Thanks, Chair. I want to turn our attention to the report released in December last year titled *Accountable implementation of Inspectors-General of Biosecurity review recommendations*. I understand it's the fifth review of the department's track record at implementing interim inspector-general and inspectors-general recommendations since 2015. The executive summary says:

None of these reviews would have been necessary if the department had a well-established commitment to and a sound process for continuous improvement; and appropriate accountability mechanisms within biosecurity divisions and the department more broadly.

The department has struggled to come to an appropriate understanding of the independent Inspector-General role. It has therefore not capitalised on the benefits of the independent assessments that the Inspector-General provides. It appears that the department has approached Inspector-General recommendations as an administrative, rather than transformative, process and not treated them with the level of importance that seemed to be envisaged by the Australian Parliament when it established the statutory role in the Biosecurity Act 2015.

The report makes another 10 recommendations for improvements to be made by the department. Can you explain to me what's gone wrong; and why is the Inspector-General of Biosecurity having to publish these reports to make further recommendations for the department to take action?

Mr Tongue: I can't comment on the past, but I can tell you what we do right now. In total, there are around 200 recommendations from the Inspectors-General of Biosecurity and the ANAO. There are about 97 recommendations outstanding. I should note that of some of the outstanding recommendations were open-ended recommendations—that is, at some level we can never complete them—and it is the case that in some areas some of those recommendations have, with the passage of time, become less relevant.

The process we have now adopted is that every division head in my group, the Biosecurity and Compliance Group, is accountable for the recommendations that pertain to their division. Each division head provides me with a submission that says, 'We think we've closed this recommendation out', and I either agree with it or I send it back for some further questions.

I think—and the inspector-general's online—one of his concerns was: how does Mr Metcalfe know that I am effectively discharging my responsibility in the appropriate way? I think some of his intent—some of the recommendations—was to look to the support areas of the department about how they were working with my group to ensure that the processes we've instituted were appropriate. I can't really comment on that, other than to say I think there is a high-level role for the department's audit committee—what processes we have adopted—and also for our processes of internal audit. Certainly, right now, I'm fairly comfortable that we're working through the inspector-general's recommendations. And I'd like to think we're on a pretty transformational journey right now to completely change how we do biosecurity.

Mr Metcalfe: Senator, if I can quickly add to that, because this is a very serious matter. On a personal level, I've known Mr Delane, the current Inspector-General of Biosecurity, for many years, from when we were in previous roles. I have the utmost respect and regard for him and take very seriously what he says to us. It's not only a very important accountability measure but an opportunity to have a very experienced former state departmental secretary and former head of biosecurity of the Commonwealth providing advice to us.

Quite a few of his recommendations, to be honest, have required additional resourcing to be found. It's a matter of record that over the last year or two the government has significantly added additional resourcing to the biosecurity function, to the tune of \$400 million or \$500 million. A lot of that is set out in the Commonwealth Biosecurity Strategy, which was released after the budget last year. I think the minister has actually got a copy there with her. That sets out a whole program of uplift and capability work, much of which is based upon implementing the recommendations from the inspector-general.

The final point I'd make is that the minister takes the advice and guidance of the inspector-general very much as a key feature. Something the minister always asks Mr Tongue and me regarding major ideas or initiatives in biosecurity is: what does the inspector-general think? So the significance and value-add of the role is certainly uppermost in the minister's mind. We take it really seriously, and I think that you'll now see—in the work that we're doing and the arrangements Mr Tongue has outlined—that that is being reflected in actual practice. We are

on a substantial journey now to significantly respond to and to uplift biosecurity as a result of advice from the inspector-general.

Senator SHELDON: With the 10 recommendations for improvements to be made by the department, have all those been fully funded?

Mr Tongue: My answer would be yes, but I'm happy to take that on notice to give you specific details.

Senator SHELDON: That would be very helpful. Mr Metcalfe, does the department believe there's enough funding resourcing allocated to undertake the necessary work relating to biosecurity matters and risk management?

Mr Metcalfe: That's always a tricky question for a public servant because you could always say we'd always like more.

Senator SHELDON: You are welcome to say that.

Mr Metcalfe: I am very satisfied that the government has taken major steps to increase resourcing to biosecurity, much of which has been, in part, taking note of the inspector-general's advice, but also a significant series of reviews that Mr Tongue and I have commissioned and actioned over the last couple of years since we came into our current roles.

It's a shared space. The Commonwealth has major regulatory responsibilities. We're a major economic regulator of biosecurity. We work very closely with the states and territories—there is significant capability in the states and territories around biosecurity. And, of course, we work with bodies like Plant Health Australia and Animal Health Australia and the various commodities and industries as well.

We have deep experts. Our chief vet and our chief plant protection officer are here with us today. We have a very strong scientific base as well. But this is an area where you're constantly asking: What more can we do? How can we do it better? How can we get better resources? We've talked about cost recovery. We've talked a little bit about technology and the road map that the Commonwealth biosecurity plan undertakes. The final part of the jigsaw puzzle is the work we're doing with the states and territories and industry at the moment around a true national biosecurity strategy to guide all of the players in a common purpose. There's always more to do, but we're better resourced now than we have been for a long, long time.

Mr Tongue: Senator, just in case Treasury and the Department of Finance are watching—

Senator CICCONE: Well, you've got a minister next to you! Just speak a bit louder; she's listening!

Mr Tongue: The risk profile is changing. Australia in 2022 is not Australia in 1996 when the old quarantine service was working. We are fully integrated in a global economy. Pests and diseases, for a variety of reasons, are on the move and they're headed in our direction. I think I've given evidence before about the pest and disease pressure that we feel. I think Mr Metcalfe's point about this being an area of shared responsibility is probably a national conversation that we face over the next decade if we're going to keep our pest and disease status.

Mr Metcalfe: I have one final point, Senator, but we could talk about this all day, as you know. The Australian community, travellers to Australia or people who use our cargo or mail services are all part of this system. Trying to achieve very high levels of compliance so that people understand biosecurity risk is why occasionally when we get publicity, such as Senator Ciccone's interest in Joe the pigeon, it has an unintended effect of raising awareness. We do a lot more work through social media in trying to provide information to make sure that people think about what they're bringing back into the country. As Australians and people from overseas start travelling again in larger numbers, we'll certainly be focusing on that.

We've all got an interest in this. There are enough exotic weeds, pests and diseases in Australia already. That's been happening for the last 220-plus years, but there are a lot more out there, whether it's foot-and-mouth disease, African swine fever, khapra beetles or giant African snails. It's the constant daily focus of thousands of people to try and protect Australia from a biosecurity perspective. We're very proud to be part of it, but there's an awful lot of work that never stops.

CHAIR: What a terrific note to finish on; your department should be congratulated. You are on the frontline of a war that we don't often talk about, so thank you.

Mr Metcalfe: For the benefit of Senator Lines, I've just brought across an example of a giant African snail and some preserved khapra beetles to show senators, if they're interested, the sorts of things that we're looking out for. Apart from viruses, diseases, weeds and whatever, some of these are tiny little insects that we're having to watch out for.

CHAIR: The department is released. We'll have a break and then come back.

Proceedings suspended from 16:32 to 16:48**Inspector-General of Biosecurity**

CHAIR: We will recommence. We're now fortunate enough to have the Inspector-General of Biosecurity, Mr Delane, from Perth. Do you have an opening statement?

Mr Delane: I will very quickly say where we're at. The most recently published reviews had just been discussed before we broke. My term will finish in July. I have at least three, probably four, reviews, which will be published, coming up—one on khapra beetle, Australia's No. 2 pest, which you've dealt with, which will be released possibly this week; one on the No. 1 plant pest for Australia, a disease called xylella, probably in March; and we've just started work on one on detector dogs and X-rays, which you've also just discussed. With that, Chair, I'll go to the hands of the senators.

CHAIR: Thank you very much. Over to you Senator Ciccone.

Senator CICCONE: I'll be very quick too. I also want to place on the record our thanks to the Inspector-General. All the best once you finalise your new role. Thank you for your work.

Labor senators asked at the last estimates about the reports that you've undertaken in relation to biosecurity matters. There was one that was published in February last year about the adequacy of the department's operational model to effectively mitigate biosecurity risks into evolving risk and business environments. There was a second report in April of last year, titled *Confidence testing for at-border delivery of critical human biosecurity functions—Ruby Princess cruise ship incident*. In December last year, another report, *Accountable implementation of Inspectors-General of Biosecurity review recommendations (2015–2021)*, examined the progress that was made by the department in implementing the 163 interim inspector-general and inspector-general recommendations to the Director of Biosecurity that were contained in the 15 review reports published between 3 May 2016 and 28 February 2021. That's a bit of a mouthful—my apologies.

There's an executive summary, which states:

This is the fifth review of the department's track record in implementing Interim Inspector-General and Inspectors-General recommendations since 2015.

But I just want to get your view on this: if the department had acted on all the recommendations, how would they or others in government have made a difference to Australia's biosecurity system today? I know there has been a range of reports but, hopefully, you can follow me there, Inspector-General. If all these recommendations had been implemented, how would things have been different?

Mr Delane: It's almost a rhetorical question, in the sense that I think we all know they would have been significantly different. I didn't go back and look pre the Biosecurity Act, so there are further recommendations going back there. Whilst I'm not one to hand out accolades, I'll start perhaps where the secretary and deputy secretary left off. I've got no issue with any of the comments they've made. The minister, secretary and deputy secretary have all been very supportive of my work since I started. But the very nature of the inspector-general's role is that it is a rear-view role. It's not to promote the work that the department is doing today, so it can be pretty blunt, and I'm scarce on handing out accolades.

I think the reality is—and the most recent report really brings it together—that the current leadership team is dealing with a large number of challenges. The problems were generated years ago, sometimes many years ago, and that comes to pass as a load today when, as the secretary has accurately pointed out, there are many challenges looking at today and looking forward. So would it have been substantially better? Yes, it would have been. What risks would have been mitigated that came to pass and that Australia lives with? I'm not sure I can say what the answer to that would be. I think I've said before to the senators, and I say it again: what is required here is the sustained sort of focus that the current leadership team has. And I don't say that lightly.

There has been a very substantial number of reforms implemented in recent years, and they needed to be, but they are being implemented. There have been some substantial new appointments, some new structures in the biosecurity and compliance group, and I think my reports, which the secretary, as the Director of Biosecurity, has responded to agree with almost universally, indicate that sort of support.

I think what I highlight in the most recent one is that, once an inspector-general makes recommendations, the law requires me to provide my report to the Director of Biosecurity, the secretary, and he or she to respond to that. Once the Director of Biosecurity has responded, they then own those recommendations, and my most recent

report simply focuses on that. Once Mr Metcalfe, as director of biosecurity, signed off on those recommendations, they were legally *et cetera* owned by the department but not taken on in an accountable and efficient process. Mr Tongue and Mr Metcalfe have put in place a number of changes quite recently. A lot of beneficial changes were made in 2021, changes which will align that, if you like, will put it into the department's accountability systems. I'm hoping the secretary can see the value of closer engagement of the Portfolio Audit Committee. I think it can really straighten up and improve the way the department moves forward, step by step, on the recommendations that inspectors-general and auditors-general *et cetera* make. With that, I'm very heartened by where we're at, but the secretary and his team will carry a substantial load, which was generated sometimes many years ago.

Senator CICCONE: I appreciate that. I guess I'd raise those reports, because, in the executive summary of the report that I mentioned from December last year, there were some things that I thought were worth mentioning, especially when it says:

None of these reviews would have been necessary if the department had a well-established commitment to and a sound process for continuous improvement; and appropriate accountability mechanisms within biosecurity divisions and the department more broadly.

It goes on to say:

The department has struggled to come to an appropriate understanding of the independent Inspector-General role. It has therefore not capitalised on the benefits of the independent assessments that the Inspector-General provides. It appears that the department has approached Inspector-General recommendations as an administrative, rather than transformative, process and not treated them with the level of importance that seemed to be envisaged by the Australian Parliament when it established the statutory role in the Biosecurity Act 2015.

Have you or anyone in government costed the recommendations that you've made in your reports and reviews?

Mr Delane: I haven't, and I'm not aware of anyone else that's done it. There are recommendations that have substantial costs. There are a lot of recommendations that are what should be known as business as usual. They are almost catch-up recommendations. In fact, if you look at the themes in that report, in chapter 3, 76 out of the 163 recommendations that we looked at we grouped in three themes: assurance and verification—routine business for a good regulatory agency; governance and management—routine business for a public sector agency and regulatory agency; and better practice—ongoing improvement in the continually evolving environment in which the department has needed to operate and does need to operate. I think that is well grasped by the current leadership group.

So is it a serious comment on the department? Yes, it is. If the pretty simple governance changes that I've recommended are made and if they had been made back in, let's say, 2016, which was the scope of my review, then no further reviews would have been necessary. The internal audit process, the accountability of the director of biosecurity secretary through the Auditor-General and Senate estimates would have been all aligned. So I stand by that comment. But I expect my successors ought not have to go and do something of the type of reviews like the last one that I published.

Senator CICCONE: Okay. Mr Metcalfe, your department, I assume, hasn't costed any of the recommendations?

Mr Metcalfe: I can't really add to what I said earlier—that the work of the inspector-general has been very important. He's made some very important and serious recommendations. Mr Tongue and I and the leadership team, and indeed the minister, are very committed to implementing them, and importantly to keep track of implementation, which is one of the key points that the inspector-general has talked about. And we certainly are now able to move in ways that we may not have been in the past in those areas where the Inspector-General had a view about resources, and additional resources have certainly been provided to us.

Senator CICCONE: Inspector-General, I will just leave off here, but what is your view about what the biggest risks are to Australia's biosecurity system?

Mr Delane: To stay true to my reports, and if you run a thread through them—and this will probably be true right through the three or four unpublished reports still to come—it's mostly the ability to deliver a high-quality biosecurity system in a rapidly changing environment, domestically and in terms of international risks. So I wouldn't put my hand on one particular risk. I'm currently looking at Australia's No. 1 and No. 2 plant risks, but there are very serious animal and other risks as well. So I think it's the ability to deliver.

My recommendations and comments have been repeated in my reports about the need for a much better road map approach to dealing with weaknesses in operational delivery, and project management goes with that. That's no surprise to the department. I'll probably continue to repeat those sorts of recommendations. I think the

leadership and management challenge that the senior people in the department and their minister have is the biggest challenge, and it will be indefinitely.

CHAIR: Thank you, Mr Delane. I congratulate you on your term. That means we won't see you again, or will we at the next estimates?

Mr Metcalfe : Well, it depends whether there are estimates, and it depends on when the election is called, really.

CHAIR: Let's be optimistic; let's say that we're going to do it again.

Mr Metcalfe : I'm sure if you're ever in Perth, Mr Delane will be happy to catch up with you.

CHAIR: Terrific.

Grains Research and Development Corporation

[17:01]

CHAIR: I welcome Mr Woods and Ms Warburton by videoconference. Do either of you wish to make an opening statement?

Mr Woods: I'll just make a couple of points. The main issue I'd like to raise is that we announced yesterday the appointment of a new managing director, Nigel Hart, who will be joining GRDC as the managing director early in April. Nigel is a senior executive well known to the grain sector. He worked in organisations at senior executive levels at GrainCorp and Archer Daniels Midland et cetera. We're looking forward to Nigel starting in the business to complement our very strong executive team. That was announced yesterday.

The other issue I want to mention is that the grain industry is in a very strong position this year. It's the best year of production and probably a new paradigm of pricing this year, which rolls up a pretty long slog with regard to drought years coming into [inaudible]. So it's a very rewarding year for growers, and will probably crack the \$20 billion sector number for this year, which is very exciting as a contributor to the Australian economy and also to agriculture.

CHAIR: That's extraordinary and a terrific position for the industry. Thank you, Mr Woods. I'll go to Senator Roberts.

Senator ROBERTS: Thank you both for being here. I'd like to commend your work on perennial wheat and preventing soil erosion. It's something that we've only just become aware of, and the chair knows from her experience in North Queensland that this is very important to the Flinders area in particular, in stopping the soil erosion up there when we convert to crops.

I'd like you to talk about deep-rooted perennial grains, please. I'll give the other senators some background so that it makes sense. Irrigators are heading north to escape the nightmare restrictions in the Murray-Darling Basin. We've spoken with some of them in the gulf. Many are going to the beautiful black-soil plains of the Flinders River in North Queensland. At the moment, this area is largely natural pasture covered with deep-rooted grasses that support grazing. While the soil supports wheat, cotton and other broadacre crops, this introduces an erosion problem in the flood plain, and most of the black-soil plains are flood plain; they get their rain in a short time of the year. Replacing deep-rooted grasses with deep-rooted grains to create mixed grain and grazing properties seems to make sense.

In 2008, the CSIRO released a paper which suggested making this change could provide a 40 per cent increase in revenue per hectare. That would be phenomenal on top of the figures you've already stated. I understand that the Grains Research and Development Corporation are working on perennial wheat and the Woodstock research centre near Charters Towers is trialling perennial wheat. Can you please provide an update on the progress of perennial grain development as it would apply to Queensland cropping.

Mr Woods: At this stage, we obviously have a number of investments in northern Australia and in the northern region of the grains industry. Some of these are very highly adaptable to the new area that you're talking about. Perennial grain is actually not an area that GRDC has been concentrating on in depth in recent times. It's something that people are raising with us as an opportunity to look at in that far northern zone. If it falls into the remit of GRDC—which is our 25 leviathan crops, which obviously wheat is—we can certainly have a look at it. At this stage, we're not doing a lot of work. There is some trial work, as you say, going on up there on a range of alternative and different crops. Some of them aren't in our remit, but we're certainly happy to look at what those opportunities are. We've got some discrete initiatives up there at the moment to look at what could be possible. We also have some very good rotations, agronomy solutions and husbandry opportunities with our traditional cropping programs, to bring rotations into the north that might be extremely beneficial and also mitigate some of those issues you've raised around erosion and accessing those deep opportunities in those deeper soils.

Senator ROBERTS: It looks as though perennial wheat was first raised in about 2011, I think, from the GRDC. Then we saw some more material in 2021 from an external body, 'The rising potential of Australian perennial wheat'. It really does seem amazing, because you increase the fodder for cattle or sheep as well as reducing soil erosion. I took the conclusion from what you're saying to be that you've done little work on that at the moment—is that right?

Mr Woods: That's right. There are certainly, obviously, opportunities that we're happy to look at, but perennial wheat in the north has not been deemed a priority by growers as part of our current RD&E plan. As I say, we are doing discrete work and we're in consultations in the far north about what could be possible. We have investments up there, and we're consulting heavily, particularly with growers on the ground and some of those other stakeholders that work in that region, such as QDAF, to see what other opportunities can bring to bear and what research needs are required. We're at the table for that.

Senator ROBERTS: What are the obstacles at the moment to doing more work on it?

Mr Woods: There are probably minimal obstacles. We just need to make sure that we actually design whatever research may be required up there to bring to bear some opportunity. We need to make sure that we're actually going to meet the agroecological zone, and the climatic and soil conditions. I note that in the report you mentioned that's recently been done, they've identified an opportunity. We're more than happy to look at that in consultation with the players up there and see what might be possible. Perennial grain, particularly in our traditional regions, has not provided either short- or medium-term opportunity. We've been able to bring to bear far better outcomes with our husbandry and agronomy outcomes in our traditional grain-growing areas with our new rotations and the technologies they bring to bear using annuals as opposed to perennials.

Senator ROBERTS: From your opening response to that second question, I interpret that you're careful to not develop something that people are not interested in—is that right?

Mr Woods: We prefer not to have an unroadworthy vehicle before we start.

Senator ROBERTS: When someone said to Henry Ford, 'Why are you building cars? There are no roads,' he said, 'The roads will come,' and they did. It seems very exciting. Your main obstacle at the moment is the lack of market reception or customer reception—is that it?

Mr Woods: That is correct. There is not a lot of acceptance, engagement or excitement with regard to perennials in the [inaudible] so I think there's some work to be done.

Senator ROBERTS: Okay. I'd like to contact your agency, if we could. Can we do that?

Mr Woods: Very happy to, Senator.

Senator ROBERTS: Thank you.

CHAIR: Thank you, Mr Woods. That completes your attendance in front of the committee this afternoon. I now call representatives of the Australian Pesticides and Veterinary Medicines Authority.

Australian Pesticides and Veterinary Medicines Authority

[17:11]

CHAIR: Do you have an opening statement?

Ms Croft: No, I don't. Thank you.

CHAIR: At the last estimates we had some discussion about pain relief products. I used to sit on the Australian Beef Sustainability Framework and we were very interested in tracking the uptake of pain relief, particularly Tri-Sulfin. And now we're discussing a product for pain relief, primarily on sheep, I believe, NumOcaine. There was some discussion about how this product moving from S4 to S5 would make it available to producers without them having to go through their vet; it would make it available to be sold through rural produce supply businesses, or even directly to the producer if they were being pre-approved. Where are you up to with the consultation on that product and its change from S4 to S5?

Ms Croft: The change in scheduling is actually a matter for the Therapeutic Goods Administration. They administer the scheduling requirements. Any discussion about consultation they might be doing might be best directed to the Health estimates.

CHAIR: That's disappointing. I was going to get a third opportunity to speak about the great work of the Beef Sustainability Framework. Alright. I'll take my question elsewhere. How are you going with the 1080 poison guidelines that we talked about at the last estimates?

Ms Croft: I'll ask Dr Lutze to respond to that.

Dr Lutze: Yes. Those [inaudible] consideration of [inaudible] permit has been completed, and there is now 1080 use available to those groups in Queensland for use with fruit baits [inaudible] by the Queensland government.

CHAIR: Could you speak up a little? And we're turning you up at this end.

Dr Lutze: Is that better, Senator?

CHAIR: That is better, thank you.

Dr Lutze: Fantastic. That 1080 permit that we were discussing has been issued. The 1080 is now available for use in fruit baits in certain areas of Queensland under a permit issued by the Queensland government.

CHAIR: That is terrific news. Thank you very much for that, because it was really solving a problem in the wet tropics, where we're trying to manage the feral pigs. I shall now pass to Senator Griff.

Senator GRIFF: I have some follow-up questions to those in part that you answered very comprehensively from November estimates. Is it the case generally that in regulating AGVET chemicals APVMA assesses the safety of individual chemicals and you do not assess the safety of chemical mixtures unless those chemicals are present together in the one product?

Ms Croft: Generally speaking, yes, we do assess the safety of individual products, but Dr Lutze might respond.

Dr Lutze: Yes, we assess the product and its constituents under the use pattern that is proposed for that product. If there are other taint mixes listed on the label, where they may be mixed with other products, there's consideration of those mixes as well.

Senator GRIFF: But it's not for mixtures, as such; it's only if that's on that particular one product?

Dr Lutze: If you're describing mixtures as a possible use of any product with any other product—

Senator GRIFF: Correct.

Dr Lutze: Then no, we do not consider mixtures in that sense.

Senator GRIFF: Is it the case that the toxicity of different chemicals may be additive or synergistic such that, when present in combination, the toxicity may be even greater than the sum of the parts?

Dr Lutze: I will comment before I pass to Dr Logan. The likely exposure to mixtures in the environment, to a great enough degree for any of those potential effects to impinge on the levels of safety that we require in assessments, is very, very low. I might ask Dr Logan if she'd like to make an additional comment on my response.

Dr Logan: I would just add that when we're considering exposure to workers we're primarily concerned at that point with the exposure to the chemicals that they will be handling. Where chemicals that are together in the same product may have an additive or a synergistic effect, we certainly do take that into consideration in looking at their exposure. In consideration of the residues of chemicals, which people eating the products may be exposed to, each of the individual chemicals has a maximum residue limit established, which provides a margin of safety for the exposure to those chemicals.

Senator GRIFF: Is the APVMA aware of the European Food Safety Authority guidance document on assessing risks of chemical mixtures, which was adopted and published a couple of months ago?

Dr Logan: We are aware of the approach of other regulators to the assessment of chemical mixtures, and we take them into consideration when we're looking at our policies. At this stage, as has been published recently, we haven't had a detailed review to factor in any conclusions from that.

Senator GRIFF: The first sentence of that document states:

Human health assessment of combined exposure to multiple chemicals ('chemical mixtures') is a challenging topic for scientists, risk assessors and risk managers alike...

I interpret that sentence to mean that, when it comes to all the different chemicals we are pumping into the environment and our food chain, scientists, risk assessors and risk managers actually don't have a complete idea of whether it's safe or not. Would that be a fair assessment of the current state of play?

Dr Logan: We certainly look at the assessment of mixtures in a number of different ways. We consider mixtures of a range of different chemicals, noting that in any product there are active constituents and then there are also the other ingredients that make up that product. In pesticides, we're lucky to frequently have some more detailed information on that. A lot of the work on chemical mixtures looks at what we would call data-poor chemicals, but we use the approach of considering the effects of different chemicals across our assessment methodologies.

Senator GRIFF: I have some other questions I'll put on notice with regard to that particular topic. I'm aware it's not a statutory requirement, but is there a reason why APVMA does not seek formal written assessment from the Department of Agriculture, Water and the Environment and the Department of Health for every new active constituent before it is approved? The reason I'm asking that question is that the information that you gave me from the November estimates effectively indicated that you sought approval for half of the chemicals approved since 2015, but for the other half you didn't involve those other agencies. Should it be a statutory requirement?

Ms Croft: Perhaps I could provide some context and then Dr Lutze might want to add to my answer. Some years ago we used to regularly seek the advice of the Office of Chemical Safety in the Department of Health, and from the environment department, as it was then. That was because we didn't have in-house capability within the APVMA, or certainly not to the extent that we have it now. Dr Lutze might have the exact details, but I think somewhere around 2015 those officers from the Office of Chemical Safety in the Department of Health came into the APVMA, and we have since retained that knowledge and ability to do those assessments ourselves. That's not to say we don't consult where it's necessary or where there may be a particular area of expertise, but that's the reason for the change.

Senator GRIFF: Doctor, do you wish to add to that?

Dr Lutze: I think Ms Croft has eloquently answered that question.

Senator GRIFF: Bixlozone, if I've pronounced it correctly, is one of the chemicals recently approved for use in Australia that is not approved for use in the US and Europe, and last year it was in the news in Australia for being suspected of causing crop damage. I believe there's a class action that is possibly still taking place on that particular product. This was one of the chemicals not assessed by the Department of Health or the Department of Agriculture, Water and the Environment. Who actually did that assessment? Was that an assessment undertaken by you directly, in-house?

Dr Lutze: That was in-house.

Ms Croft: Yes, Senator.

Senator GRIFF: Was there any published scientific safety testing data that was considered in the assessment?

Dr Lutze: Regarding human health and safety or plant health and safety?

Senator GRIFF: Either.

Dr Lutze: Our data packages are largely company-produced studies that are produced with very strict guidelines, including good laboratory practice. As to whether there was any data from the public domain that was considered as part of this assessment, I think we would need to take on notice.

Senator GRIFF: How many adverse event notifications have there been for this chemical to date? I understand you'll have to take that on notice as well.

Dr Lutze: Up until 7 February, we had received 32 adverse event reports.

Senator GRIFF: Less than a week ago the lawyers undertaking the potential class action were quoted in *Farm Weekly* as having more than 100 cases with crop losses anywhere between 20 and 70 per cent. I imagine that is of concern to you. Would that be right?

Dr Lutze: As I said, we've only received 32 reports.

Senator GRIFF: I have other questions, but I will put them on notice because there is a fair bit of detail.

ACTING CHAIR (Senator Ciccone): You're a good man. I don't think there are other senators here that have questions.

Senator McMAHON: Yes, I do.

ACTING CHAIR: Sorry, Senator McMahon. Fire away.

Senator McMAHON: No worries. I let the chair know.

ACTING CHAIR: She had to step out. Go for it.

Senator McMAHON: I'll go back to some questions that I asked you at the last estimates, four months ago. One line of questioning was regarding minor use permits and the speed, or lack thereof, of processing those permits. Can you tell me how many minor use permits you have approved in the past four months,?

Ms Croft: I have numbers for total permits but not necessarily minor use permits. I might refer to Dr Chay, and otherwise we can take it on notice.

Dr Chay: In quarter 2, from 1 October through to 31 December 2021, we processed 137 minor use permits. Of those 91.2 per cent were processed on time.

Senator McMAHON: Only 91 per cent of those permits were actually processed on time, according to the statutory length of time that you're meant to process them?

Dr Chay: Yes, but I point out that that's an improvement from 80.2 per cent in the previous quarter, so we are on a fast-improving trajectory as far as our performance in permits.

Senator McMAHON: Yes, an improvement on poor is at least better than a deterioration, I will grant you that. I am glad to see there's improvement—I truly am. I'll move on to a question on notice that I asked earlier, regarding the lignocaine product. One specific question, regarding the veterinarians on staff, was, 'Are any of them specialists in animal welfare?' The answer that I got back was a complete non-answer, which was that the AVPMA has nine qualified veterinarians on staff in the veterinary medicines team. It totally avoided answering the question. Can you tell me why you did not answer the question?

Ms Croft: Following discussions with our veterinary staff, I think they would argue that animal welfare is something that all vets take into consideration. I'm not sure that we could necessarily point to somebody with a degree that has a specialisation in that, but I think the view of the team would be that they all have a sound knowledge of animal welfare issues as part of their veterinary training. But I am conscious that I have two vets on the call with me, and I'm happy for either of them to add to that answer.

Senator McMAHON: I was quite distinct. I said, are any of them specialists in animal welfare? If the answer is no, that's fine—that should have been given. Why was that answer not given?

Ms Croft: I think for the answer that I've just given. In terms of them seeing it as a separate specialisation versus them all having knowledge of animal welfare issues was the reason. I don't have anything else to add to that.

Senator McMAHON: Any vet would know the implication of the word 'specialist'. It is very well understood in the veterinary industry. I'll give you another chance to answer that question honestly. Do you have any specialists in animal welfare on your team?

Ms Croft: I ask Dr Chay and Dr Logan if they're aware of that to provide the answer.

Dr Chay: Senator McMahon, we have no registered specialists in veterinary animal welfare.

Senator McMAHON: Thank you for answering that for me. One of the other questions I asked was around the toxicity of lidocaine: 'Dr Logan, are you aware how much of this drug it takes to kill a cat, a small dog or other small animals?' The answer I got back was:

... a fatal oral dose ... in a cat or small dog ... would be around 44 mL of the product.

That's a very strange and unusual answer. Given that this is an injectable product, why would you give me the oral toxicity?

Dr Lutze: This product is an injectable product but it has been considered and registered for use on animals other than the animals you were asking questions on, so it is not the intent that this product should be used on those animals that you were questioning about.

Senator McMAHON: I realise it is not the intent, but we all know that when you change it to a schedule so someone can just go in and grab it off the shelf they are going to do all sorts of things with it. I understand that may not be your particular concern, but you should at least have an understanding of the toxicity of this product. I did say 'other small animals', so that could include the target species, such as lambs. I am concerned that you couldn't give me a toxic dose, except for an oral toxic dose. It's not an oral product, so that's a completely inappropriate answer to that question.

Dr Logan: The focus in our answer here was to direct the answer towards what are approved label uses. In this case the approved label uses are for animal husbandry activities, which are not acts of veterinary science. Should someone be using it in an injectable fashion in other ways, not only would they be using it in terms of off-label use but there are other state and territory controls that they would be considering. So in this aspect our focus was on the potential for accidental misuse rather than deliberate misuse involving potentially breaking other laws et cetera.

Senator McMAHON: I understand that, but again this goes back to the fact that you have recommended this change of schedule with no clear understanding of the toxicity of this drug.

Ms Croft: I don't think that is a fair assessment.

Senator McMAHON: I do when I've asked for the toxicity for a small animal. As I said, if you don't want to cover non-target species, that's fine, limit it to a lamb. This product is registered for use on sheep, so consider

someone is using it as per the instructions and accidentally getting it wrong. If they're injecting it, as it is intended to be used, what is the toxic dose on that animal?

To come back with 44 mils orally is really inappropriate because, if someone's injecting it into a lamb, what the oral toxic dose is isn't relevant. It's concerning that they either didn't know or weren't able to answer the question about the toxicity of the injectable drug.

Ms Croft: But in your question you asked us specifically about a cat or a dog, for which this product is not approved. The response we provided was for a cat or a dog because that is what we were asked. We weren't asked about small animals.

Senator McMAHON: I did actually say 'cat, dog, or other small animals', and I think 'other small animals' does take that into consideration. The toxic dose varies amongst species—very much so—and the route of application. But for a four-kilo lamb it can be as little as five mils. I really do have grave misgivings about failing to take that into consideration when recommending the schedule change. And that goes to my other question:

Did you take into consideration the significant negative animal health and welfare aspect of rescheduling this drug?

You undertook to get back to me about that, and the answer was:

The Code requires the APVMA to explicitly consider efficacy, as related to the proposed use instructions for the product, and target animal safety.

I get that you don't have to take into account non-target animal safety. It would be good if you did consider that in your proposal to the TGA for the change of schedule, but even considering the target animal safety, given the toxicity and given that this comes in 100-mil bottles and it can take as little as five mils to kill the target animal, how is that taking into account animal health and welfare and target animal safety?

Ms Croft: I might refer to Dr Logan, but I think it is important to note that this particular product has particular requirements around it in terms of the way that it will be used on farm. Perhaps Dr Logan would like to elaborate on that.

Dr Logan: The focus of your question was around the scheduling process, and some of the questions being raised now are related to both efficacy and target animal safety. While the scheduling assessment in relation to this product and the human health toxicity assessment have been completed, the product is still under consideration in terms of the efficacy and safety questions and in relation specifically to the presentation of this product, which comes with a specific applicator and method of use to help to make the dose administered very standard. At this stage, the product is not yet registered, and the efficacy and target safety consideration is still underway.

Senator McMAHON: I understand that, but I still have concerns that you recommended the change of scheduling of this product. You are the people with whom the veterinary expertise and knowledge lie, not the TGA. I guess that's not a question; it's a comment from me. I do feel that the burden of satisfying yourselves about this product does lie with your agency and not so much with the TGA.

Senator CICCONE: I feel like we're going around in circles here. I appreciate the questions that Senator McMahon's asking. They're genuine and valid, but I'm not sure that we're getting the responses from the agency today.

CHAIR: Thank you, Senator Ciccone. Senator McMahon, do you have anything further to ask?

Senator McMAHON: No, that was my final—as I said, it wasn't a question; it was a comment out of a little bit of frustration.

CHAIR: I'm equally frustrated. Tri-Solfen is a very important animal welfare product. It's got twice the lidocaine that Numnuts does. It's been available over the counter for six years. So I support this product being considered by the TGA to move from S4 to S5, because we don't have access to vets the way they do in more settled parts of the country. I think that we can do this in a well-managed way, because it's about animal welfare; otherwise, these animals wouldn't be treated for pain relief. I think we're at different ends of the stick on this one, Senator McMahon. It's unusual, but there we go. Thank you. That brings us to the end of questions for the APVMA. Please go with our thanks.

Dairy Australia

[17:40]

CHAIR: I welcome the representatives of Dairy Australia.

Mr Mann: Good afternoon. I'm coming to you from our farm in the south-east of South Australia. By coincidence, Dr David Nation is doing a levypayers trip and happens to be with me, visiting farmers in the south-east and in western Victoria. In Melbourne we have Charlie McElhone, who sits in the Melbourne office.

Generally, the season has been okay for dairy. The south has been plenty wet enough over the winter and the spring, and parts of New South Wales has been plenty wet enough. Generally, the season across the country has been an okay season. Farmgate milk prices are at the top end of the scale, which is good, and most farmers we're speaking to made a profit last year and feel like they're going to make one this year. Sentiment has definitely improved on two or three years ago. Equally, travelling around the countryside a little bit, farmers are pretty bullish about on-farm investments if they're intending to stay in the industry. With that, I look forward to any questions about the function of DA from you, Senator.

CHAIR: Thank you very much for those opening comments. I can't tell you how pleased I am that prices have moved up. It's been terrific after the years of poor prices that you've had. I will make a comment that I was wildly disappointed in the supermarkets removing the drought levy and increasing prices at the supermarkets but not necessarily paying any more to dairy farmers. Coles and Woolworths and Lactalis and those processors know how I feel, so that will not be any surprise to them. I'm going to go to Senator Ciccone for questions.

Senator CICCONE: It's good to see Dairy Australia again. Thank you for coming. Last time we spoke, I asked a range of questions regarding the upcoming dairy levy poll, which will soon commence. I note that a number of levypayers were not given an option to express their views around the levy with respect to whether it should be reduced. Should they elect to retain the levy at the current rate, what measures has your organisation put in place to ensure that you continue to provide the same level and quality of service as you do today?

Mr Mann: Very briefly, if the levy poll is unsuccessful and we remain where we are today, we will make our investment decisions as we always do with the levypayers absolutely at forefront of mind and, where we can, with on-farm profitability at the front of that discussion amongst ourselves. We will have to cut our cloth to suit the amount of income that we have coming in and we'll have to make the appropriate decisions at that time. We do have reserves which will allow us to make a smooth landing, but we will have to clearly make sure that our income and our expenditure balance. David, you may wish to add a bit more to that.

Dr Nation: It's a really live question at the moment, as farmers vote on the levy. The simple reality is that if the levy doesn't change then we will have to do as James described, and we will focus on the services that are a high priority for dairy farmers. We will continue to look at where the industry is going, and we think it's important to always have scope for new investments, new R&D, new areas of focus for us, like our capacity to do extension, our capacity to do regional services and our capacity to address labour as a growing and real issue for dairy farmers. So, as part of cutting the cloth, as James described, we will continue to evolve as a business and we will work to the capacity of the levy to invest for dairy farmers.

Senator CICCONE: Have you undertaken any work to explore what alternative revenue sources might be available to you?

Dr Nation: Absolutely. We have a strong source of revenue outside of levies and matching government funds. Particularly on aspects like research and development, we are always looking for third-party sources of funds—commercial partners, philanthropic funds, universities and state governments themselves. So, we have very high levels of leverage with all our investments and it will be very much a target to keep that level of partnership, that level of current investments between parties. We will clearly look to keep that co-investment model happening and an additional source of income. We also have significant income and grants that we source to continue our work, including from governments.

Senator CICCONE: I understand that the last poll was conducted back in 2012, if I'm not mistaken, and around 39 per cent of levy payers voted to have the levy at zero. What work have you done since then to address some of the concerns that may have motivated farmers to vote that way?

Mr Mann: That's a good question, Senator. I would like to think—and I'm certain—that we have consulted wisely through the Australian dairy plan. I think we've touched 800 farm businesses in that space to make sure that we were heading roughly in the right direction. We have a lot of contact points through the regional development programs, of which we have eight across the country. I think there are about 2½ thousand touch points per quarter, and we take that information back, as well as our own networks amongst staff, amongst farmers. We do listen to and consult with ADF and ADPF, but in regard to levy payers, we consult widely particularly through the regional development programs.

Senator CICCONE: I can only assume that you're aware of reports in *The Weekly Times* a few weeks ago—I think on 2 February, to be precise. It was reported that last year the Australian Dairy Products Federation—

representing Fonterra, Bega, Seputo and Norco, among others—committed to working with you to come to an arrangement to provide funding to Dairy Australia. Are you able to elaborate on the status of that work?

Mr Mann: It's still ongoing. We continue to work with them. We haven't arrived at a destination with them at this stage.

Dr Nation: To expand on that, the work we have done is to do joint work with processors and the Dairy Products Federation to look at all the activities that we do as Dairy Australia that we would call whole-of-supply-chain activities that benefit both farmers and processors. We would match what all those activities are, what level of investment is in those activities and the value that that gives both processors and farmers that clearly demonstrates that there is value for both farmers and processors to invest side by side in a whole range of investments in Dairy Australia. We have sought for processors to invest, as was described in *The Weekly Times*. We would like that to happen. It's not yet resolved.

Senator CICCONE: I guess there was one quote that really got me, which was that the federation said that the industry is still working through their approach, so it's not the right time. But when is the right time? When should they be paying?

Mr Mann: I think that's a question for them. From our point of view, we're very happy to work with them and to find an outcome for this issue.

Senator CICCONE: I guess you'd appreciate some levy payers might be a bit frustrated that some of the processors are not really coughing up and paying their fair share—

Mr Mann: Yes, we would appreciate that—

Senator CICCONE: especially considering that farmers have been asked to pay—

Dr Nation: It's our clear preference that processors have a position and farmers understand it before they vote on the levy. So there is frustration that that isn't the case, and we share farmers' frustration that this isn't clear at this time.

Senator CICCONE: Have you undertaken any work to determine a dollar amount that processors should pay to Dairy Australia?

Mr Mann: Yes, we have done some work. The absolute amount we haven't determined. I think that's still part of the negotiations. All of that work that we do jointly for them, I, as a levy payer, would get benefit from as well. So it's an interesting conundrum. The work that we do on behalf of industry is equally valuable, and some of it I value very highly for my business—for instance, on market access and market insights—as to where it's going. Processors get value out of that as well. But, yes, we have done that work.

Senator CICCONE: Is that some of the work you are able to share with this committee?

Mr Mann: Off the top of my head, we'd have to [inaudible]—

Mr McElhone: If I could jump in there, I look after a lot of the programs that are through-supply-chain facing, as James mentions, across trade programs, human health and nutrition, sustainability, market insights and information, technical policy support, and industry and community marketing—all that information, that budget information, is openly available. It equates to, in the 2020-21 year, about \$9½ million, but obviously there are slight variations year to year across those different programs. So that is the total expenditure across those programs which have a full supply chain interaction.

Senator CICCONE: Is the work with the processors that the chairman mentioned publicly available?

Mr McElhone: The work with the processors that we're going through in terms of evaluating the various programs?

Senator CICCONE: Well, the cost that one would expect them to pay in terms of the levy—

Mr McElhone: In terms of the costs of those programs, that's openly available, and we're happy to share those—

Senator CICCONE: Not the costs but the levy—I mean, what we've heard is that Dairy Australia is working with processors for them to pay a levy. Is that work something you can share with us? What are you able to share with the committee?

Dr Nation: We're able to share with you our analysis of all the programs that we do that benefit both farmers and processors, what they cost and our assessment of the benefits of that work, and, as Charlie just described, that's nearing \$10 million of investment in our last annual report. So, as to our sense of a shared contribution between farmers and processors, the big question is whether that includes or excludes industry marketing, but, excluding marketing, that would be an investment of the order of \$2 million to \$3 million a year.

Senator CICCONE: But what other work are you doing that you can—

Dr Nation: We're very happy to share that analysis.

Senator CICCONE: Okay, if you could. I guess where I was going was: you say there's work being done, so the processors should pay a fee or a levy to Dairy Australia; is that type of work, that analysis, that modelling, something that you can share with us, or what aspects of that modelling or those assessments or that analysis can you share with us?

Mr Mann: I'm not certain we're quite getting the question dead straight. So, as to the work you're asking about, what you're asking is: how much of the work we do is joint industry work—am I understanding that correctly?

Senator CICCONE: You're in negotiations, no doubt, with the processors, trying to work out how much they should pay as a fee to you.

Mr Mann: Yes.

Senator CICCONE: What I'm trying to understand is: what is the work that's going on behind the scenes, and are you able to share with us any of that work that you're doing?

Dr Nation: We can share a description of all that work. We can share the analysis of dollars invested, we can share a value analysis, and we can share with the Senate where we see all of that lining up in terms of timing and negotiation with processors.

Senator CICCONE: Can I return to some workforce matters. I appreciate that, unlike other ag industries, dairy has less need for the low skilled seasonal workers than it does for the high skilled permanent workers. Still, is industry currently struggling to find workers for these higher skilled roles? How significant is the problem?

Mr Mann: I've probably met with 60 to 80 producers in the last two weeks, and I would say that undoubtedly their number one issue would be the availability and the skill of labour. In certain areas, we would think that the availability of labour is actually holding back farm businesses. For more detail, though, David or Charles might like to give us the exact numbers.

Mr McElhone: I'm happy to chip in there. We run a Power of People on Australian Dairy Farms survey every year, and that really highlights some of the challenges that farmers are facing in this space. About 50 per cent of farmers have recruited in the last 12 months, and 70 per cent of those said the process was extremely difficult. We're estimating that we're going to need another 5,000 or so staff over the next ten years or so, and that's not even taking into account those who leave the industry. In total, there are probably about 17,000 staff that are going to be required across our farming sector. It is a real challenge, and it's more of an acute challenge as a result of some of the COVID issues that have been faced in recent times, particularly with some of the restrictions on working holiday-makers, which are obviously a key factor. Some of the housing shortages in regional Australia have also created additional complexity for attracting farm staff.

Senator CICCONE: Is there anything the government could do to assist the industry?

Mr McElhone: There's a whole suite of activity that's taking place in this space. Obviously, it's multipronged, to take into account that this is a complex issue. It's not just about the immigration space, although we have been working very closely with the government on issues of bringing skilled labour into the country, bearing in mind that that tends to be a solution of last resort. The majority of our focus is about education and training, partnerships with universities and VET, vocational education and training. How do we work with government to make sure the relevant information and training is available so we've got the attraction coming through for staff to enter into the dairy industry? David, do you want to talk about any of the other program issues?

Dr Nation: I think you've covered it well. I'd just like to reiterate how big an issue this is and how government has so many ways to play a part in labour on dairy farms. You mentioned education and training. That's recognised as a critical part of operating people. We need large numbers of job-ready people for permanent roles on dairy farms. There is a need for skilled people, and it's typically need that's greater than local capacity to employ people. Visa based recruitment of skilled labour is important as well. Getting those visa settings for skilled people to take those roles, over and above what domestic employment looks like, is critical. I think one of the things that's going on that's a real feature at the moment is that it's recognised, as you alluded to at the start of your question, that this is a whole-of-agriculture issue. Different sectors have different issues, but, in what we're going through, we have a lot in common with the rest of agriculture. We see this as a wider agricultural challenge.

Senator CICCONE: I appreciate that. I understand that there's an industry labour agreement in place as well. How have you found that agreement? Do you know how many workers make use of the agreement each year?

Mr McElhone: I'm happy to answer that, James. We obviously have. We do have a dairy industry labour agreement in place. As to the participants within that agreement, it's a contract between the individual farm and the Department of Home Affairs, so we don't have the open numbers. But we understand that the numbers are relatively small. There are probably less than 20 contract owners across the industry, but for those businesses it's been extremely important in making sure they can tap into the skilled labour force in that space. So, as I said, we don't have a line of sight of the total numbers, but for those who have accessed it, we know it's been extremely valuable. It is a difficult process to go through that; we understand that. That's why we do make a significant investment as well in building the capacity and attracting the domestic workforce, which is such a critical part of what we do.

Senator CICCONE: I appreciate that. I suspect you do a bit of research and analysis in this space. Before you go: I know the chair mentioned the supermarkets. What's your view about Woolies phasing out the 10c drought levy by the end of the financial year?

Mr Mann: My personal view is that the drought has finished, but we need to still make sure that Woolies are well aware that it's a very competitive environment out there for land and resources. If milk is going to keep coming, we need to keep competing. Charlie, you possibly have another bit to add there.

Mr McElhone: Yes. Obviously this is a real focal point for our representative organisations. They've worked very long and hard on this issue over many years. The removal of the drought levy obviously raises a question about what is ultimately passed back through the supply chain to the farmer. We understand that there is, for a certain period of time, a guarantee that that extra 10c will continue to go back to the farmer. What will happen after that period of time is going to be under close scrutiny by those representative organisations.

CHAIR: Thanks very much, Senator Ciccone. Given that supermarkets have put up what was previously their \$1 milk twice, by 10 cents in each go, I'm watching that closely too. It's important that there be fair payment for farmers. For the first time, Queensland started importing milk because we couldn't produce our own. And with the shortage of trucks and drivers, that was a real problem. So, yes, it's a real issue. I just want to ask you: are you aware of exploitation of workers in the dairy industry?

Mr Mann: Personally, I'm not aware of any. But, Charlie, you may be.

Mr McElhone: No, I'm not aware of any examples of worker exploitation.

CHAIR: That was my understanding—that, if there were any, they would be of family members doing a lot of unpaid labour when times were tough. I just wanted to ask you that question because there was a comment earlier in the day that there was a lot of exploitation of workers on Australian farms and that that was why the AWU was arguing against the ag visa—

Senator CICCONE: Come on, Chair—

Senator Sheldon interjecting—

CHAIR: Well, I don't think we clarified that—

Senator CICCONE: Come on!

CHAIR: I think it was just about farmers, and I want to make—

Senator SHELDON: There are several inquiries [inaudible] carried about independent organisations which [inaudible]—

CHAIR: You're not asking the questions at this point, Senator Sheldon. I am—

Senator SHELDON: that the horticulture industry is rife with exploitation of workers.

CHAIR: But this is not the horticultural industry. This is the dairy industry—

Senator SHELDON: I'm just saying your misrepresenting what has been said.

CHAIR: who've just said that they don't have exploitation and that they need the ag visa. But the AWU is lobbying embassies to say that we shouldn't have the ag visa in place. That will disadvantage dairy farmers. So I'm just trying to make sure that everybody understands what's going on.

Senator SHELDON: And take fisheries jobs and have more exploited workers coming into the country, without the protections they deserve—that's what you're suggesting.

CHAIR: Senator Sheldon, if you want to debate this let's do it after estimates. Thank you. I think that's the end of the—

Senator CICCONE: What was the question?

CHAIR: presentation from Dairy Australia. Please go with our thanks.

Meat & Livestock Australia

[18:04]

CHAIR: I now call the representatives from Meat & Livestock Australia. It's great to see members of the meat and livestock authority. For those following estimates remotely, we are now into the agency Section and we are moving quite quickly. We won't have the dinner break; we'll keep moving through. For people who are waiting to see witnesses after 8pm, I suggest you stay with us, because we'll be seeing those people earlier.

Welcome to the representatives of Meat & Livestock Australia. Do you wish to make an opening statement?

Mr Beckett: Good evening, committee. It is our position to be here to answer your questions this evening. I'd like to provide some quick highlights if I may. There has been a really strong start for 2022 for MLA. MLA's recent summer lamb campaign has been widely acclaimed. It's a real cracker and another cracker in the series of our lamb campaigns. We've reached over 2½ million people and we were trending [inaudible] on YouTube. The TV advertising and the billboards around the world—in Paris, New York and New Zealand—an enormous amount of interest in promoting the message about our delicious, nutritious Australian lamb, and bringing the world back together. I was going to have as my back screen a shot of Western Australia, but I'm no longer part of the country and my managing director told me I must be politically agnostic.

Cattle prices hit a new record on 24 January. Lamb prices are also up at just below last year's record figures. As you know slaughter capacity was low in January as processors dealt with COVID and relating staffing issues, however, we understand that things have now got back to similar levels to 2021 year on year. Consumption is strong. During the last quarter, the spend on beef was 3½ than the same period last year. Most importantly, beef remains the favourite protein in Australia, enjoyed, I'm advised by our insight people, in well over 90 per cent of households. There's been above-average rainfall across New South Wales and parts of Queensland, and we believe the national cattle herd will continue to rebuild and sheep numbers are forecast to grow to the highest numbers since 2013.

Finally, MLA has recently released its annual research adoption outcomes report. I am pleased to say that, as a result of MLA's R&D investments over the last six years, participating red meat producers will receive an additional \$803 million in net benefits to their businesses in the year coming forward. MLA believes it is a good start to the year, be a good year for the red meat and livestock industry. I will now be happy to answer your questions and for our executive to chip in on our operational matters.

CHAIR: Thank you very much, Mr Beckett. Over to you, Senator Mirabella.

Senator MIRABELLA: I confess I haven't looked at an MLA annual report for the past couple of years. Can you give me a dollar figure for how much MLA spends on marketing? That's the marketing spend out of the levy money that you get from producers?

Mr Beckett: I think it was \$103 million last year.

Mr Strong: Yes, that's about right. The levy was split between R&D and marketing, with the larger portion being for marketing, but the R&B component is also matched with government funds and commercial [inaudible].

Senator MIRABELLA: Do you publish anywhere a breakdown of the marketing spend—how and where you spend it?

Mr Strong: We do. We have an annual investment plan which we publish every year. We have a [inaudible] reported which we publish every year. We have a five-year strategic plan which was published nearly two years ago now. That gives a breakdown of the spend of the area across the budget but also a breakdown about the levies and spend by stream as well. If you are a grass-fed or grain-fed cattle producer, a sheep producer or a goat producer, you can see where those have been spent or are planned to be spent, what is planned to be spent with the [inaudible] plan, the investment plan on a yearly basis and the annual report where they're worse than the previous year.

Senator MIRABELLA: In that case, I have no more questions. Sorry

CHAIR: Does the MLA have any views on the APVMA ask you if the MLA has Sorry. Can I ask you if the MLA has any views on the APVMA assessment of Numb Nuts?

Mr Strong: We're conscious of the discussions that are quite [inaudible]. MLA invested about \$1.2 million in the development of that product, which has been incredibly successful and provides a great solution for sheep producers to manage treatments. We've made the decision that the accreditation or positioning of that product from a sales point of view and, in particular, how it's characterised with the process that's the responsibility of both them, we should have a position on. So it's been misreported that we don't [inaudible]. That's not the case at all. We absolutely support the development, use and broad-scale use of that product in every way it possibly can

be. We will support the industry that [inaudible], but it's not our responsibility to take a position on further accreditation of that use.

CHAIR: Alright. That's very even-handed of you. I'll leave that question there then. Senator Sheldon.

Senator SHELDON: Thank you very much for joining us. I want to go to a question about the workforce. Have you been having discussions with Agricultural Innovation Australia to address any workforce shortages? Can you run through what that's entailed and where you see the workforce challenges into the immediate and far future?

Mr Strong: We're really conscious of the workforce challenge across the whole supply chain and we engage with everybody, from the primary producers all the way through to the processors in various forms. In the red meat sector, the efforts that have been put in by the representative organisations, particularly the Australian Meat Industry Council and the Australian Lot Feeders Association, have been really positive and proactive in responding to the workforce challenge. MLA's role, as I'm sure you're aware, is very much around support. Our support for those organisations has been quite wide-ranging in how we can help with training, workforce, and identifying this. One really good example is in the feedlot sector, with the launch last year of Feedlot TECH, which is the Feed Lot industry's due process around training and upskilling and developing their workforce. I think our industry has been incredibly proactive in not only trying to solve immediate challenges of availability how also they set the [inaudible]. With regard to [inaudible], it's running hard. [Inaudible] that we've engaged direct debit those discussions. The representative organisations may have, but we certainly haven't at this stage. Our focus has been to [inaudible].

Senator SHELDON: I appreciate the [inaudible] and for your answer in trying to help us through that question. You were speaking before about training and skills. Do you feel there are enough resources going in for training and skills with what's needed immediately now and what might be needed in the future?

Mr Strong: I think it's an area that we can always invest more in. What we've seen highlighted in the last couple of years is that when a source of labour, such as workers coming in from overseas, changes—slows down, stops—it really puts pressure on the other sources of labour. There are two things to be focusing on [inaudible] more broadly, and the other one is how we skill them. There's more work that can be done in that space. I think the industry is responding very well to it, and we certainly are proactive in supporting the industry organisations in that space.

Senator SHELDON: Thank you.

CHAIR: We're just waiting for somebody, who I think is going to miss her opportunity. Unfortunately, we're going to have to release you. We could talk to you all night, but the next person has just failed to appear. So please go with our thanks, and we'll see you at the next estimates. We're just going to suspend for a moment while we organise the next witnesses. Thank you.

Proceedings suspended from 18:21 to 18:28

Hort Innovation

CHAIR: Welcome. Thank you very much for coming on a little early. Do you have an opening statement to make?

Mr Brand: We won't do an opening remark—just in the interests of time.

CHAIR: Terrific. Thank you. Senator Ciccone.

Senator CICCONE: Thanks again for appearing on very short notice. I know you were scheduled for later tonight. I have a couple of questions that are, I guess, a follow-on from a series of questions I asked at the last round of estimates about the governance issues at Hort Innovation Australia. We spoke at length late last year. Can you please provide me with an update on your staff turnover rate?

Mr Brand: Sure. The staff turnover rate is 39 per cent.

Senator CICCONE: And compared to the last time we spoke?

Mr Brand: It's actually levelled out from the previous time. I can get you more figures if you'd like—

Senator CICCONE: Do you know what the figure was last time? I don't have that on me.

Mr Brand: I'm just trying to find it. I'm sorry.

Senator CICCONE: That's alright. While you are trying to find that, or someone else might be able to help you there, with regard to your staff turnover I think you've recently accepted the resignation of your chief executive. Is that correct?

Mr Brand: That's me. Yes, I resigned a couple of months ago.

Senator CICCONE: I don't know if this is a matter for someone else who is also online, Mr Brand, but I'm interested to know what the process is for looking for your replacement.

Ms Bird: I can certainly update you on that process. Matt Brand tendered his resignation and pleasingly has stayed in the business for six months to support a transition. We are working through a thorough recruitment process. We're in the very final stages of that process. We're hoping to have an incoming CEO that will tie in with the department when Matt finishes at the end of April. We're looking at the incoming CEO with similar timing to [inaudible].

Senator CICCONE: Who was the professional firm that you said you engaged?

Ms Bird: We engaged Rimfire Resources.

Senator CICCONE: Are you able to provide a dollar amount? How much has that cost the organisation?

Ms Bird: I don't have that to hand.

Senator CICCONE: Take that on notice.

Ms Bird: I can certainly provide that. I can say that we did benchmarking and it is an indicative figure that's commercially competitive.

Senator CICCONE: I think I have this right, but I understand that you might be in the process of working with industry around the question of what good looks like and that you're doing this through the ag advisory firm—is it Seftons?

Ms Bird: Correct. It is.

Senator CICCONE: Is that correct? Is my understanding correct that you're in the process of working with industry on that?

Mr Brand: Yes. We kicked the project off in June of last year with the NFF Horticulture Council. Then what we've been doing is working through, because of COVID-19—we were trying to do face-to-face workshops, but what we did—there was a fair bit of feedback. Can you hear me?

Senator CICCONE: Sorry, you are cutting in and out.

Mr Brand: There is some interference.

Senator CICCONE: Maybe if everyone else could just mute while Mr Brand is speaking? That might assist.

Mr Brand: We kicked the project off in June. Before Christmas we released a paper off the back of interviewing the PIBs. We interviewed 50 organisations involved in horticulture. It was really about trying to refine the scope; what the role of horticulture is, horticulture innovation; the role of industry bodies, and in particular focusing on the advisory mechanism, which is something that we want to be doing.

Senator CICCONE: Thank you for that update. You may have said it but it cut out towards the end. Have there been delays?

Mr Brand: There have been delays due to COVID. We got the feedback from industry. We prepared a paper. We sent that paper back out to industry towards the end of the calendar year 2021. We are establishing a working group and that working group will then work with key staff, with Hort Innovation and a couple of directors of Hort Innovation to get the framework for the workshops that we're looking at doing. We were looking at those workshops being in April, but potentially with the new incoming CEO starting in May it made sense to postpone it so they could participate in those workshops.

Senator CICCONE: Could I turn to your AGM, which I believe took place in November. Could you please advise me as to how many levy payers were registered to vote at that AGM.

Mr Brand: I'm just pulling it up for you.

Senator CICCONE: Whilst you're doing it, I want to acknowledge former senator John Williams, who's also there. It's good to see him on the line, too. G'day, John.

Senator SHELDON: It's good to see you, mate. It's Tony here. Sterly will be disappointed he's not here to see you as well.

Mr Williams: It's good to hear you again. All the best. We'll talk soon.

Senator CICCONE: Mr Brand, have you got that—

Mr Brand: I'm just trying to find it. If I can't find it, I'll have to take it on notice—

Senator CICCONE: Whilst you're looking for it, I'm also interested to know what the historical numbers are.

Ms Bird: We can take that on notice and provide you with all of those details.

Senator CICCONE: Thank you, Ms Bird. My next question is: how did you communicate with your members about the AGM?

Mr Brand: The process we followed was in accordance with the Corporations Act. We sent out communications in the applicable time frames. Hard copies of the AGM documentation were sent out to all registered members. That's the process that we followed.

Senator CICCONE: Do you know how many levy payers received the documentation to register to vote?

Mr Brand: Again, I'll have to take that on notice.

Senator CICCONE: I'm asking because I heard that some levy payers did not receive any voting documentation for the AGM and that there were cases of voting documentation being sent to the incorrect contact persons and some voting documentation being sent to other farms or offices of levy payers rather than the head office. Have you received that feedback?

Mr Brand: We had some issues with the mailing list and the posting of notices. We did have one of our larger members—they actually received the information, but they weren't able to cast their votes correctly. But the aggregate of the votes wouldn't have affected the outcome. What we've learnt is—we work with a company called Link Market Services, and we're working through with them on how to avoid that issue in the future.

Senator CICCONE: Alright. If you're able to take on notice whatever other information you can provide to the committee, I'd appreciate that. What processes have you now undertaken to ensure that levy payers have received the documentation to register to vote? Are you looking at an internal review?

Mr Brand: What we're going to be doing is proactively ensuring that we've got the right contacts with the members. What we found was that the postal address and the company name were correct but that the individual contact from that company may have moved on from when it was first set up. So what we're doing is an 'update your details' program, if you like, to ensure that it doesn't happen again.

Ms Bird: It's particularly an issue where we have companies with multiple contact points and making sure that we have not just key contacts but a membership contact and clarifying which person is the key contact around their membership and voting rights as opposed to other communications that may be going out. That's certainly a review we are undertaking at the moment as well with working with our external provider to ensure that any of the glitches like the one Matt spoke about earlier are resolved as we move forward next year.

Senator CICCONE: Okay. Thank you. Earlier today we asked the department and biosecurity about some issues with flowers and cut flowers being imported from overseas. Are you undertaking any work with respect to the biosecurity risks and the impact on domestic flower markets?

Mr Brand: Not to my knowledge, Senator. I'm not sure if any of the R&D team, Anthony or Alison, do. I'm not aware.

Ms Bird: I'm aware that Plant Health Australia have developed some biosecurity plans for the industry, but Anthony or Alison may know how our organisation may have been involved in that space.

Senator CICCONE: Just lastly, what was the name of the election provider for your AGM?

Ms Bird: Link Market Services.

ACTING CHAIR (Senator Ciccone): Do any other senators have questions for Horticulture Innovation? No? In that case, I thank you, Ms Bird, Mr Brand and your team, for appearing on short notice after the rescheduling of our agenda. I really do appreciate it. We've obviously had a very efficient afternoon.

**Australian Fisheries Management Authority
Fisheries Research and Development Corporation**

[18:48]

ACTING CHAIR: I now call the Australian Fisheries Management Authority and the Fisheries Research and Development Corporation. Do you have an opening statement that you'd like to make this evening?

Dr Hone: No thanks, Chair.

Mr Norris: No, thank you.

CHAIR: Awesome. We might go to questions. Senator Wish-Wilson.

Senator WHISH-WILSON: I'll start with a set of questions for AFMA, questions that I've asked at previous estimates. The Environment and Communications References Committee finished a report into the impacts of

seismic testing on fisheries last year. One of the recommendations of the committee was to set up a working group between the Australian Fisheries Management Authority and the oil and gas industry. Has any progress been made in terms of setting protocols for liaison with commercial fishers around seismic testing?

Mr Norris: Yes, there has been progress on a couple of fronts in that regard. We maintain, obviously, a close working relationship with NOPSEMA, as the regulator, and we've engaged directly with proponents of seismic testing as they've come forward, most recently being Beach Energy about a survey that they are either conducting or perhaps have just finished conducting in Bass Strait. As a result of those interventions, we've helped to secure some arrangements, such as what we call a BACI study, a before-and-after survey, that is funded by the proponent to assess what the actual impacts of these types of activities are on the industry. In the past, when those studies have been done, they've been useful for, obviously, talking about issues such as compensation. In terms of the specific working—

Senator WHISH-WILSON: On that one specifically, could I ask you: was that a good standing agreement? That has been used previously—for example, Woodside were funded up on the North West Shelf.

Mr Norris: It was last done with the survey that the company that I think is called CGG did off Lakes Entrance. That was something negotiated between the industry association SETFIA and CGG. Yes, it was used as the basis, as well as lost earnings, for negotiation of compensation.

Senator WHISH-WILSON: So those kinds of agreements already exist, but you are now taking a more active role in trying to get more of those. Would that be a fair assessment?

Mr Norris: The working group that you referred to was an initiative to try to standardise and formalise some of that work. Ms Willock was participating in the working group. It has had mixed success, in terms of the level of buy-in that industries on both sides of the equation have been able to secure.

Senator WHISH-WILSON: That's a very diplomatic way of saying it. It's 'mixed success', as in: is there anything in particular that has stuck out as being too controversial to be negotiated—for example, compensation to fishers?

Mr Norris: Clearly, compensation is the very difficult subject. Despite things like the Senate inquiry, there is still selective use of the science on both sides, so being able to agree on something like compensation is very difficult.

Senator WHISH-WILSON: Is there a way forward from here? Is there a pathway from this point, or is it fair to say that those negotiations have ended?

Mr Norris: I'm not sure of the exact status of that working group; I'll get some advice. But I think the fact that dialogue is going on in respect of the specific surveys that are continuing to take place is indicative that there is goodwill on both sides and it can be worked through. But, as I say, it is difficult, and it is also quite diverse, depending on the area and the fishery that's being interacted with.

Senator WHISH-WILSON: Dr Hone, is FRDC doing any funding directly? I know there has been some involvement in the past through IMAS.

Dr Hone: This is actually quite an interesting area. As you probably know, Beach Energy have come to the party with the industry. We're funding about a third of the project, Beach Energy about three-quarters. It's about a \$1 million dollar project, let out of the UTAS, with CSIRO and Geoscience Australia behind us. The project has two elements. One is to do some of that replicative work that we did before to look at before and after. But we've also got the other Beach Energy part of the project, which is actually looking at alternative technologies to using air guns. That's probably the exciting thing—that we have a company that's actually willing to look at the recommendation, which said sound guns, in some circumstances, are inappropriate. So we're quite excited that we're doing this piece of research. It's similar to research that has been done in Canada and other countries overseas. We're hopeful that probably this time next year we'll be able to talk about which of those types of technologies have a lower impact on the benthic—both the fauna and the infauna, plus the whole ecosystem. It's quite an exciting part of the project.

Senator WHISH-WILSON: Is it happening in the lab or in situ?

Dr Hone: It's happening in the field. That's why it's such an expensive project. It obviously is trying to address some of that work that was the BACI work that people like Ian Knuckey and others were working on, which was looking at that before-and-after work. It's obviously a problem for the oil and gas industry, but also for carbon sequestration. A lot of industry is about sound underwater, and I think the sort of work that Beach Energy are putting their hand up for is really good. They've been a good partner to date.

Senator WHISH-WILSON: In regard to that technology, if I remember rightly from the Senate inquiry, there was concern from the oil and gas industry that it wouldn't necessarily work for them, in terms of giving them the data they needed.

Dr Hone: I'm not a geophysicist; we'd probably need to get Geoscience Australia in. What I gather is that different bedrock and different sediment types will respond to different technology differently, depending on how you actually create the wave that you are trying to put through the sediment. It might be a certain sediment type is not as good. Beach Energy believe there are options with this technology, and the fact they are willing to trial it gives us hope that we can use it. Obviously the Bass Strait is not a homogenous geological structure, but most of the structure they're now talking about for the sequestration technologies is pretty constant. Hopefully the science will validate what they want.

Senator WHISH-WILSON: I wasn't aware that that study was happening. That's very interesting. When will the potential results be made public?

Dr Hone: As far as I know, they should be out right now doing the work. We've got quite a good fact sheet they have developed with information on that.

Senator WHISH-WILSON: Thank you. My second question I will ask AFMA, but it may also have FRDC involvement. Last year the Commonwealth and the Tasmanian state government announced an MOU for a trial for fin fish aquaculture in Commonwealth waters. Has there been any development in the last four months in regard to discussions with the industry or Blue Economy CRC or the Tasmanian state government?

Mr Norris: The only development I am aware of—to be honest, I can't recall whether it was in the last four months or just before that—is our provision of information to assess the potential impact of the proposed trial sites.

Senator WHISH-WILSON: The trial sites have been selected?

Mr Norris: As far as I'm aware, Senator. I haven't seen them, but I am aware that there is an arrangement between the Blue Economy CRC and SETFIA for SETFIA to provide some sort of impact assessment, and they have the information to do that.

Mr Metcalfe: The department might be able to help with some information.

Senator WHISH-WILSON: Yes, please, particularly if you're about to tell us whether sites are going to be.

Mr Metcalfe: I'll just ask Ms Deininger to pop in.

Ms Deininger: There has been an MOU agreed with the government of Tasmania, and there is some work in relation to a trial site. There is a 'have your say' process going on through the department, and I'm happy to provide that information to you for the benefit of the committee. There is a trial site that has been mapped out as part of the consultation.

Senator WHISH-WILSON: Will that be made public?

Ms Deininger: It is.

Senator WHISH-WILSON: Can you tell us where that is?

Ms Deininger: Yes, it is just north of Burnie. I can provide the map.

Senator WHISH-WILSON: Presumably more than three nautical miles.

Ms Deininger: That's right; it's beyond the three nautical mile area.

Senator WHISH-WILSON: Will information be available as to why that site was chosen? Presumably the area was studied beforehand.

Ms Deininger: That's right. As has been mentioned earlier, the Blue Economy CRC, which obviously has some experience in this area, has been working to establish the trial site.

Senator WHISH-WILSON: I think I might have asked you at last estimates: the Tasmanian government will be regulating the trial itself, but the Commonwealth has an opt-in to be the regulator following the trial? The trial is also about regulation, right?

Ms Deininger: That's right. Under the trial, the idea would be that the Tasmanian government would regulate the trial. Decisions about what you might do if the trial were successful and to be rolled out would be made subsequently. Certainly it's the intention that the Tasmanian government will regulate the trial.

Senator WHISH-WILSON: The trial only, and then, following that, there is no automatic—there was some misinterpretation around the Tasmanian legislation that that would be a perpetuity arrangement if the trial were successful. Can you say on record that that's not the case?

Ms Deininger: I was not aware of there being any confusion. I'll take that on notice, just to confirm.

Senator WHISH-WILSON: My understanding was that wasn't the case. But from what you told me last time, you are keeping your options open, I think you might have said, or keeping all cards on the table.

Ms Deininger: Let me double-check. My general proposition would be that we're undertaking a trial and that we'll subsequently need to evaluate the trial. I wouldn't want to commit to saying that there's definitely going to be certain aspects ahead of that. But I'm happy to come back to you if that's not accurate.

Senator WHISH-WILSON: Yes. And the trial is expected in three years?

Ms Deininger: That's correct.

Senator WHISH-WILSON: Thanks for that. My next question is back to FRDC—

Dr Hone: Senator, just on the site—

Senator WHISH-WILSON: Yes?

Dr Hone: This is just a call out for the Integrated Marine Observing System. Probably, as a proud Tasmanian, you know just how much a part that fundamental infrastructure plays. Obviously, we have a lot of assets in that Burnie area. When doing research, you actually want the base information and the Integrated Marine Observing System has been a pretty special thing for us.

Senator WHISH-WILSON: Okay. This is a topic I've been asking about for many years, and I asked the Parliamentary Library to put together a brief for me on Commonwealth funding over the years for invasive *Centrostephanus* sea urchins. With FRDC here, in particular: Dr Hone, the first research project I could find was from September 1993. The library has done a list for me, which I'm happy to table for you or give you a copy of. I have researched projects through to as recently as one that's ongoing right now, which is assessing the benefits of sea-urchin-processing waste as an agricultural fertiliser and soil ameliorant, and the total amount comes to about \$4½ million in research grants.

Do you accept that this is still a really significant problem—I'm not saying it's your fault, by the way! Do you accept that the urchins themselves are still a very significant problem to commercial fisheries in New South Wales, Victoria and Tasmania in terms of their impact on habitat?

Dr Hone: You know you should never ask a scientist an open-ended question!

Senator WHISH-WILSON: I could put some—

Dr Hone: This is a good subject of mine. If we think about the urchin, the original New South Wales problem was actually about abalone.

Senator WHISH-WILSON: Yes.

Dr Hone: We ended up with abalone barrens—that was the Neil Andrew-Tony Underwood work. It wasn't about expansion of the stock due to anything to do with climate. It was just that we had overfished the abalone and urchins were coming in. Then we had a recovery plan, but the problem is that we couldn't do a recovery plan when the urchins had occupied the space. So the work was about how to get the kelp back et cetera. That has actually been really successful—you probably know of the kelp restoration program in New South Wales. We're quite excited by that and by the citizen science that's going on with kelp restoration.

Senator WHISH-WILSON: Yes. Is that golden kelp?

Dr Hone: It's a whole range of kelps—

Senator WHISH-WILSON: Crayweed or—

Dr Hone: Crayweed, dictyopteris and ecklonia—all of those brown kelps.

Senator WHISH-WILSON: Yes.

Dr Hone: Then we went into a new phase. We started an urchin fishery to try to fish down the nutrients, but there's no money in it. We tried to do value adding and we also did aquaculture; we took them out of the wild and fed them to try to make them fatter—

Senator WHISH-WILSON: The urchins, yes.

Dr Hone: That extended down into Victoria from fisheries like Ulladulla et cetera. That was going to about 2005 or 2010. Then we ran into what is probably the near, clear and present danger, the climate change one—the expansion of the species right down into Tasmania. That has caused a whole lot of scientific dilemmas around sustainability and overfishing; how to control it; interactions with other fisheries, like rock lobsters and large lobsters; abalone to bait; and kelp restoration.

My view is that I don't think we have all the answers now. It's a very complex problem to solve. The question for range expansion with climate change is, 'How long do you put your finger in the dike for when trying to stop something?' It's a complex problem. I think the science has given lots of information for policymakers; I just don't think we're at the point now where we have the solution.

Senator WHISH-WILSON: That's what I'd like to talk to you about. In terms of it being a complex multifaceted problem: you need to take a collaborative approach to this.

Dr Hone: Yes.

Senator WHISH-WILSON: There doesn't seem to be one. You guys have funded lots of projects over the years, fairly small but targeted—unlike what we see with the Great Barrier Reef, with hundreds of millions going to the crown of thorns removal and integrated reef adaptation plans to try to regrow reefs. You've done it in New South Wales with kelp, but we haven't started it in Tassie—for 10 years we've had a recovery plan that hasn't been acted on. Would the FRDC be in a position to up the ante on this? I have raised this with Senator Duniam, the assistant minister for fisheries, and I've raised it with the state fisheries minister as well. Surely we need to put a lot more money into this and take a much more collaborative approach to solving this problem.

Dr Hone: You always could put more money into things. I don't quite agree with your premise that we're not taking a collegiate approach. I have to call out Ian Dutton, director of fisheries, who has now established a working group between New South Wales, Victoria, Tasmania, and us; DAWE might have even been at the last meeting as well. As part of the Australian Fisheries Management Forum we've got a subcommittee focusing on urchins and trying to be more collegiate about how we do the research. Ian Dutton has also hosted two important workshops, where we've brought overseas experts in who've been focusing on urchins off California, as well as people doing Great Barrier Reef work who are doing robotic work.

Senator WHISH-WILSON: Like Paul McShane?

Dr Hone: Yes. We've got another workshop coming up where Ian Dutton's tried to bring those people in. I would argue at the moment that he's taking the lead on building that collegiate approach. However, while there's a strategy that Tasmania's got, we don't have the same strategy for each state.

Senator WHISH-WILSON: That's correct.

Dr Hone: That's probably the thing that we need to do next.

Senator WHISH-WILSON: Obviously you've got a group that's trying to focus on the Great Southern Reef entity. I'm all for trying to help the Great Barrier Reef, and I was asking a lot of questions on that yesterday. But it seems that because the Great Southern Reef entity is essentially in state waters—there's some Commonwealth jurisdiction—it doesn't really get much funding. Apart from through you guys, and maybe National Environmental Significance programs, it receives almost no funding.

Dr Hone: I think for Alan Jordan and the National Environmental Science Program, restoration and habitat restoration is a priority. There's a lot of work now on natural capital accounting with kelps. Tasmania takes a strong lead through both the blue economy and the Marine Bioproducts CRC. I think that—

Senator WHISH-WILSON: I'm following that very closely, but it looks like so far only private money is going into trying to regrow things like macrocystis. The scientists—you probably know them quite well—have been trying to do this on the smell of an oily rag for the past couple of years.

Dr Hone: I suppose one of the things I'm very positive about is that it's local communities doing these programs, a bit like the seagrass seeds program, where you've got local communities doing it. This is the sort of thing where you do need local habitat groups who want to champion it. The missing ingredient at the moment, particularly for kelps in Tasmania, is the lack of a really good algal hatchery down there, and that has been identified as one of the gaps in our infrastructure.

Senator WHISH-WILSON: So you don't think Sea Forest has the capability to do that?

Dr Hone: The recent money that they got for the asparagopsis will go a long way to building that capability, but this is more than just asparagopsis.

Senator WHISH-WILSON: Absolutely; it's about a bunch of other kelps. I've also been looking at some research funding that you've put into the salmon industry in Tasmania. I have a couple of questions about some projects that you've got, and we're looking at a combined value of about \$6 million there. As an interesting comparison, from 2017 to now we've seen \$6 million going to projects just around Storm Bay for FRDC, versus \$4½ million into invasive urchins over nearly 30 years. Can I ask you about the Storm Bay research program management, governance and extension, which was supposed to finish in September 2022? Can you tell me if that research project's been completed?

Dr Hone: No, it's still got to the end of this year.

Senator WHISH-WILSON: The Storm Bay biochemical modelling was due July last year?

Dr Hone: It's still got 18 months. It had an extension, because we wanted to get one more data set into the model.

Senator WHISH-WILSON: Yes. The Storm Bay decision support tools?

Dr Hone: Similar, because it's connected to that project.

Senator WHISH-WILSON: So that has been extended as well?

Dr Hone: Yes.

Senator WHISH-WILSON: And the Storm Bay observing system was until December 2024?

Dr Hone: Yes, that still goes to 2024. That's the Jeff Ross project.

Senator WHISH-WILSON: Can you tell me what kind of community engagement or communications you've had on these projects?

Dr Hone: Good question.

Senator WHISH-WILSON: I'm getting a lot of complaints from people saying they have been shut out.

Dr Hone: There is a steering committee that has people like the Derwent group on it as local users of that area. We did hold a community seminar as a public forum last year in Hobart, and there's another one planned for April this year to engage with the community and talk through all the science. There's a web portal with all the current information on it. You can access it through either our site, the IMAS site or the CSIRO site—we all share common links to that information.

Senator WHISH-WILSON: So the public can access it?

Dr Hone: Yes. There will be a new portal up very soon—that's the decision support tool, which people can use to explore different parts of the model. All the reports that we do which are relevant for the department and the EPA get lodged on the department's portal site as well.

Senator WHISH-WILSON: Have you got copies of correspondence from the community requesting regular and transparent updates?

Mr Williams: That hasn't come to me, no.

Senator WHISH-WILSON: Where would that have gone to?

Mr Williams: The only thing I've ever had is from Peter, from the action group. He wanted some information out of the aquaculture inquiry about what we're doing with land based work. He was just trying to understand where we were going with that. That is the only community group in Tasmania that has contacted us.

Senator WHISH-WILSON: I was told by the community that the only report that could be downloaded from your website is a review summary of the monitoring design.

Dr Hone: I'll have to take that on notice.

Senator WHISH-WILSON: It's dated July 2020. That sat with FRDC for nine months before being published. Is there a reason for that?

Dr Hone: All of the reports from Jeff Ross get lodged on the EPA site, which is the baseline monitoring work. They're all there, and I think they're all up to date as of Christmas. That report would have been an interim report of the last work. With a lot of our work we don't actually publish it until it gets peer reviewed, and given the complexities of the science that we're dealing with, and trying to find independent reviewers who are not connected to CSIRO or IMAS, we often have to go overseas to get these things reviewed. In the case of that project, it would have taken us some time to get an external review, especially during COVID.

Senator WHISH-WILSON: That's reasonable. I was also told that there were no reports on modelling research, and a reference to milestone reports has now been removed from your website. Are you aware of that?

Dr Hone: I'm not aware of that. I'd need more detail. We don't change that information.

Senator WHISH-WILSON: Would the modelling research, for example, be classified as a public document?

Dr Hone: Yes.

Senator WHISH-WILSON: There has been significant public interest in this, as well as \$6 million of public funds invested. It would be good to know whether all of these reports are available. You're essentially telling me that they are still in the peer-review processes. That's holding them up.

Dr Hone: The toolkit project and the modelling project will all have to go through peer review before they can go out. There'll be the interim product, where people can actually test the decision tool—that will be on a website that CSIRO is putting together. The Jeff Ross interim reports all go to the EPA because there's an interest in having that in real time, and we don't feel like we should be duplicate it. I'm pretty sure the department puts a link on their site to those reports as well.

Senator WHISH-WILSON: It's still early days, and I know there aren't that many pens out in Storm Bay yet, but can you share any of the preliminary findings and how it's going so far?

Dr Hone: No, sorry.

Senator WHISH-WILSON: It was worth a try.

Dr Hone: I'll make sure you get an invitation to that next update meeting which is coming up—I'm pretty sure—around April. They are going to go through all the results to date.

Senator WHISH-WILSON: Good, I would appreciate that. I'm sure you are aware of the critically endangered red handfish, which is basically around the corner at Frederick Henry Bay and Norfolk Bay, so immediately adjacent to Storm Bay. My understanding is the monitoring program designed for Storm Bay didn't include any baseline habitat or water quality surveys for those two areas where the handfish are. Is that correct?

Dr Hone: Yes, that is correct.

Senator WHISH-WILSON: Was there a reason for that?

Dr Hone: Under the National Environmental Science Program there is a whole piece of work on red handfish and habitat. That is a priority for that piece of science, so we don't duplicate where other environmental sites are. We are aware what Alan Jordan and his team are doing on the red handfish in that environmental work.

Senator WHISH-WILSON: Would that work include, for example, ongoing monitoring that will detect potential changes from Storm Bay?

Dr Hone: You would have to ask the National Environmental Science Program for the full details. All I know is that we sit on an advisory group to note that it is a priority, that they are doing the research, that it is their part of the work and that it fits in and because IMAS and CSIRO are the same team as those doing our work, it all connects.

Senator WHISH-WILSON: Yes. I would be keen to know how you would merge those two things. It has been raised with me by scientists, who I won't name, that it is a major weakness in the design; it is a design flaw.

I am not even allowed to know where those handfish sites are because they are top-secret, as you probably know. Nobody wants to see those fish get taken and sold onto the international market. There is not many of them left. I have been told there is an invasive urchin near one of them that has some scientists concerned. They are worried about potential changes in water composition with solids, nitrogen and nutrient loading from fish farms. Could I continue to talk to you about that or how that might be—?

Dr Hone: You can, but it tends to be that that environmental habitat work is done by the environment department, and we talk to them a lot about it. Because it is not a fishery and we not impacting it, or we think there is no impact, we are not doing any research on that species. But we do talk a lot with the team who are working on that research. I know a lot in the salmon industry, for example Huon Aquaculture, invested a lot of their own money into the handfish because they had concerns. They put that through to the CSIRO team. But it is not something that we really take the lead on. We are more trying to understand how it will fit into modelling for other broader systems.

Senator WHISH-WILSON: The distribution of nutrients and other solids—pollution or whatever you want to call it—from a very large salmon farm or a bunch of salmon farms in the area, how would the hydrodynamic modelling be done, as to where might disperse from? Would you get any indications from your modelling on whether that would go into Norfolk Bay or Frederick Henry Bay?

Dr Hone: I would hope so, yes. That is part of it.

Senator WHISH-WILSON: So that is going to be available?

Dr Hone: Yes.

Ms Deininger: I have some additional information for Senator Whish-Wilson. I can confirm that, beyond the trial, there has not been a decision about who will regulate any aquaculture in Commonwealth waters. I seek the committee's agreement to table two documents. One is the map for the proposed site and the second is the consultation document that we have gone out to the public on. We will send both of those links through to the secretariat.

Senator WHISH-WILSON: That would be great, thank you.

CHAIR: We will now release the Australian Fisheries Management Authority and Fisheries Research and Development Corporation. Please go with our thanks. I now welcome representatives of the Australian Wool Innovation, by videoconference. Do you wish to make an opening statement?

Mr Laurie: If I could, please, just a couple of comments; this technology is wonderful stuff.

CHAIR: It is, please go ahead.

Mr Laurie: I just have a couple of things about where our position is and a couple of the issues we see as being of concern. The wool price and wool market at the moment are coming along quite well post COVID. We are starting to see economies open up and we're starting to see demand coming from around the world. One thing that is creating problems is obviously transportation internationally. We all understand there have been major issues there. The pipeline is getting longer and longer and creating issues for people internationally. We understand that. But there is reasonably good, strong demand for wool at the moment. Especially at the fine and superfine end, there is good pressure, and for other wools there is still quite a bit of strong demand.

Of the issues at the moment, one, without any doubt, is shearing labour in general [inaudible], most certainly labour for shearing. It hasn't become the terribly attractive industry in a lot of ways. I think people have found other, easier ways to make a bob. But there is a lot of work going on at AWI at the moment investing in shearer training across Australia. Obviously the borders that have been in place, both with New Zealand and internally, [inaudible], especially in Western Australia at the moment. We are doing quite a bit of training in those areas to get as many learners up to speed, and obviously to get some [inaudible] faster. That training will continue.

Just recently, we have been down and had a look at shearing platforms again to see whether we can find a way to utilise those. We are thinking about developing a research centre down there that could highlight some of the new technology that is happening in shearing industry. We are potentially doing some of our training down there. We still have to do some work but we think that might be a way forward. Even if you get platforms going, you still need to get people operating them.

One of the labour options—I know the government has been strongly supportive of the Pacific Islander scheme—is to get Pacific Islanders over here and get them trained up and working in the field. We have contractors who are ready to engage and support those people, bring them on team and look after them. The blokes I know were talking about Fijian shearers and New Zealand shearers to actually understand what is required and what support is required for those people when they come to Australia. That would be a very big step forward if we can get that going to get Pacific Islanders out here and train them potentially both on platform shearing and traditional shearing.

Obviously a huge investment is going into fly management, whether it be vaccines, looking at genomic monitoring. A new program that we have launched, that we announced last week, is holistic fly management and helping support wool growers if they want to move to [inaudible], what that actually means in fly management. That will be a very important part. All this stuff is being done in collaboration with lots of others. I know MLA are doing some work there. AWI and MLA met again on this yesterday and they are very happy to support each other through that process and provide information to growers, which will be critically important moving forward.

One other thing that I would like to mention is the Western Australian fires. While we have fires across Australia everywhere, the Western Australia fires have affected some wool growers over there. One of them, the chair of our WoolPoll committee, Steven Bolt, was affected by the fire the other day. That was disappointing. We will do anything we can to help them, looking at the people who've lost shearing sheds and things. If we can get shearing trailers in to help support some of these blokes to get their work done, or we can get in fencing equipment—we'll do whatever we can because there's been massive loss over there. It's always a very traumatic time when that sort of thing happens.

The role for the CEO is still in progress. I would like to think that in the next six weeks we will get that fairly well finalised. In brief, those are just some of the issues. We see positives in the wool market but there are some areas of concern. We're spending a lot of time working with woolgrowers and woolgrower organisations to try to identify these areas and find ways to support and certainly build our capacity in the shearing industry, and we will continue to build that demand internationally.

CHAIR: Thank you, Mr Laurie. It's great to hear about good prices, and we're very sympathetic when hearing about the fires in WA. It's been really hard, particularly being at the same time as the rail being out and supply shortages in WA. All the challenges are compounding, aren't they?

Mr Laurie: I think they are. One of the things that worries me about fires is that I think you get pumped up with adrenaline when the fires go through and you're working on speed dial for a few days until you get things

sorted out, but when things flatten out—and I've seen this before—emotionally they're terribly draining and there needs to be very strong support from the state government. AWI will do what it can because they obviously need it, but they need strong support from the state government, especially when we're talking about euthanising animals and trying to manage the process. The mental angst put on these families is pretty tough, as you've seen with the floods in North Queensland. Nature can be a devastating thing at times.

CHAIR: You're so right about the aftermath because you're so busy at the time organising everything. Senator Davey, do you have questions?

Senator DAVEY: Yes, I have a few questions. Mr Laurie, when you say you're doing some shearing technology research at the Falkiner Research Station, is that the one between Deniliquin and Conargo?

Mr Laurie: Yes, although we're not doing it there yet. But we will be because we have the shearing platform that we want to investigate further and there will be other shearing platforms and other shearing technology. More development work needs to be done, and we feel that we probably need to get that into our own hands and then work away at it. The first thing is, if we're promoting any of it, it has to be safe. We've got to be confident in ourselves that the technique is safe and that from the work health and safety aspect we're not actually doing anything to create issues. Over the next few months we'll be looking to develop that; it's not developed at the moment. There's also accommodation there which provides us with an opportunity to provide accommodation for people who'll be trained in this area, potentially normal shearer training but also potentially training people on shearing platforms if they turn out to be a very good option for the industry. We are right in the process now of seriously considering that. They're going back there next week to have another look to make sure we feel the facility is up to speed, and then we can look at what investment we can do there.

Senator DAVEY: All going well, it might coincide with the reopening of the Conargo pub—that's my little aside. We're looking forward to that very much; that's my neck of the woods. Mr Laurie, can you remind us how long you've been the chair? Is it about 18 months?

Mr Laurie: No, it's only about seven months; July last year, I think.

Senator DAVEY: I have asked questions regarding WoolQ, the investment in WoolQ and the difference between WoolQ and what is already available on the open market. It's often described as an open-cry auction system. I acknowledge that the committee itself has asked for briefings on WoolQ and that through that process the Auditor-General is now auditing AWI. Is that correct?

Mr Laurie: No. We heard that they may do an audit. We're quite happy for them to do one and quite prepared to work with them if they do, but at this stage we haven't had notification.

Senator DAVEY: In terms of WoolQ—I think I ask this every time, and I'm happy for you to take it on notice—can you provide an update on the expenditure on WoolQ, including staff time and resources? And are you able to tell us tonight how much wool has been sold on WoolQ, not just the bales listed but what has actually been sold since it was launched in 2018?

Mr Laurie: I'll get John to go through some of those details on the costs. As we've explained, the separation of WoolQ has the sell component and the traceability component. There are two components. We're looking at doing the technology now of going to the sell component and looking at putting that into the commercial arena so it can be utilised by woolgrowers. I don't think there's any doubt that the development that AWI has done is now done. It obviously now needs to go into the hands of people who understand marketing and how to process that, so we're in that process right now. For that reason, for the last three or four months we haven't actively been putting any wool on WoolQ to auction; we've actually been discussing different things with partners to take it into the commercial arena. I'll get John to give you the figures on WoolQ now.

Mr Roberts: To answer your first question, Senator: the expenditure on WoolQ remains similar to the last briefing—an expenditure of \$6.8 million. That includes the consultation process, so that's the Wool Selling Systems Review and the Port Jackson report. In terms of how much wool has been sold, there have been 3,687 bales offered, and 2,095 of those have sold.

Senator DAVEY: Have you done comparisons as to how much has been sold through WoolQ and how much is sold through the open-cry auction system?

Mr Roberts: Not exact ones, but it would be fair to say that the amount of wool sold on WoolQ is insignificant, to say the least, relative to the open-cry system, which has been in place for a very long time and is highly efficient.

Senator DAVEY: What about the other components of WoolQ, from previous estimates? You explained to me that the online trading platform is only one component of it. Are we seeing value and returns from the other

components, which were the traceability side of it and those aspects of the product and the investment—the very significant investment—of levy payers' funds?

Mr Roberts: If you go back to the original investment, this has always been a slow burn. This is about a futureproofing exercise for the industry and about meeting a longer-term shift in consumer priorities towards providence and traceability. More recently, we've been involved in a number of meetings which have been facilitated by WoolProducers Australia, Australian Wool Exchange and the Australian Wool Testing Authority, with input from brokers, exporters and everybody else. I think we're in furious agreement that we have to adopt a traceability platform, primarily to address exotic animal disease outbreaks but also to leverage the commercial opportunity that providence and traceability present. We are now on a steering committee, following that report commissioned by WoolProducers, and we feel that we're very keen to make the technology available that WoolQ can deliver in this space. It won't be the only solution, but we'd like to think it will be a pretty major part of the solution in terms of traceability.

Senator DAVEY: That's a little bit different from the impression I got last estimates, whereby the traceability side of WoolQ was one of the prominent features and one of the key features that would be industry leading. Now it's back at a steering committee stage that's actually being driven by WoolProducers and others. What was the key driver for AWI to invest \$6.8 million in WoolQ, which I have been told has components and is not just a trading platform? There are other trading platforms available. Now it's also not the bee's knees on traceability; it's a component. I'm just trying to understand, and I know I'm not alone because I keep getting industry stakeholders asking me why nearly \$7 million has been put towards designing and developing a product that by all accounts could have been met by existing commercially available products.

Mr Roberts: Firstly, I'm not sure that there were existing commercially available products. In terms of the selling components, there was. That was certainly the current online selling platform of AuctionsPlus. The motivation or genesis to develop WoolQ was a number of stakeholder groups in 2014 approaching AWI wanting to have a review of the traditional selling system and see if greater efficiencies, transparency and competitive tension could be created. That's where it started. They commissioned an independent arms-length panel to conduct that. The panel saw opportunities to create those efficiencies and meet the shifting consumer demand. The key recommendation that came out of that was the potential for a wool exchange portal to be developed. Then there was a panel of 16 people from right across industry—not AWI, but facilitated by AWI. There was unanimous support to actually go ahead and build the platform.

These are disruptive technologies. Disruption is often quite confronting. The closer this came to being a reality the more people feared things, like disintermediation and whatever else may be there. We have struggled gaining adoption. We're comfortable with the technology. I was probably being a bit modest before. I actually think it is the bee's knees, but we need to bring people on for the journey rather than tell them that.

Senator DAVEY: The 16-member panel that you facilitated at the beginning of this process, as you say and as I have heard from others, were unanimous about identifying the potential, but then they weren't brought on the whole journey once you moved into the investment and development side. I've heard from members of that panel that they felt sidelined in the process, and that was also part of the reason why buy-in potentially has not been as forthcoming as you would hope.

Mr Roberts: Yes, I think that's a fair assessment. We did go to great efforts. We got the support. We did the building. We tried to be as consultative as possible. Clearly, we needed to be more so, and I think that's a key learning. That doesn't mean there's a full stop here. It's certainly a comma. We're now in a position, as I said, where the industry is more interested in traceability than it was previously. I think it's important, as you said, to use the technology that's already out there in the marketplace. We think we have got some good technology there. Certainly listening to your comments and taking them on board, I'd like to think we'd like to have a fresh start in this process. The conversations to this point with those other stakeholder groups have been very positive.

Senator DAVEY: I now want to turn to the WoolPoll. AWI was seeking an increase to the compulsory levy through the WoolPoll process. What rate did you want to see the levy increased to?

Mr Laurie: The board were suggesting that a two per cent levy would allow us to cover off on things that the industry were asking it to deal with.

Senator DAVEY: And what were the results of the poll?

Mr Laurie: The result of the poll was 1.5.

Senator DAVEY: Which is the status quo.

Mr Laurie: The status quo, yes.

Senator DAVEY: No change.

Mr Laurie: No.

Senator DAVEY: Were you surprised by the results?

Mr Laurie: No.

Senator DAVEY: What sort of a return did you get? Did you monitor the percentage rate of return of the votes?

Mr Laurie: John, you'd have those numbers.

Mr Roberts: I think it was in the vicinity of six per cent.

Senator DAVEY: Six per cent of all ballot papers that got sent out were returned?

Mr Roberts: No, sorry—

Mr Laurie: WoolPoll.

Mr Roberts: Senator, I might have to take that on notice. I beg your pardon.

Mr Laurie: We'll get that figure back to you.

Senator DAVEY: The final line of questioning is regarding, as I said in the introduction, the potential for an audit by the Auditor-General of Australia. Mr Laurie, you said you would welcome that.

Mr Laurie: Yes.

Senator DAVEY: The committee has been copied in on a letter from wool producers to the Auditor-General, welcoming an audit. I note that the issues that this committee identified for examination were the expenditure on WoolQ, which we've discussed, and also AWI seeking the increase in the compulsory level levy. Wool producers would also like to see the terms of reference expanded to include an audit of the governance and financial management of AWI. Would you also welcome the audit expanding into those areas?

Mr Laurie: We have an annual audit and we have a review every two or three years that are looking at these things regularly. We've been very happy to participate in all of the reviews that have gone on. We are very happy to participate in any audit goes on on an annual basis. I can't see any reason why we wouldn't be happy to participate in an audit if the Audit Office wants to do one. That's not an issue.

Senator DAVEY: I know in past estimates this committee was seeking a private briefing on the Port Jackson report on WoolQ, and that's one of the key reasons why we've still got so many questions. Would you be prepared to provide that review to the Auditor-General if requested?

Mr Laurie: The Port Jackson paper, which was part of looking at WoolQ—you've got a copy of that at the moment?

Senator DAVEY: No, we don't have a copy of the Port Jackson report; that's the problem.

Mr Laurie: Haven't you?

Senator DAVEY: No. Oh, Mr Laurie, this will explain so much! This will explain why the committee's been so frustrated and unhappy and why you've possibly not understood why we've been so frustrated and unhappy! Just briefly, we asked to see a copy of that report, and the board came to a briefing where they told us that we couldn't see the report. We said, 'But we're inquiring into the expenditure of government money which you've received to pay for this report,' and we were told, no, we couldn't see it. That's when we said, 'Right. Well, perhaps the ANAO needs to look at you.'

Mr Laurie: Righto. What happened with the Port Jackson paper is that we didn't supply it to begin with because the company that wrote the paper didn't want to supply it. We then came back to you and said we're happy for you to have a look at it as long as they could take some of the names out of it—and, John, you can give us the background as to when the paper went over.

Mr Roberts: I can. We offered a private briefing, or Ernst & Young Port Jackson Partners did say they would be prepared to provide a private briefing. On 26 October, AWI again offered the committee the in camera briefing, during the Senate estimates hearing. On 16 November one of my staff members and I met with Ernst & Young to discuss the potential of a redacted version, and then on 10 December we provided the redacted version to the RRAT committee.

CHAIR: We will go back and look at that.

Mr Laurie: Apologies for any confusion.

CHAIR: It's fairly heavily redacted. There are a lot of big black boxes.

Senator CICCONE: There's more black than white!

CHAIR: We have that report which we will come back to you to have that briefing on. I'm sorry we've had troubles getting everybody together to be able to hold that in camera session. Thank you.

Mr Laurie: That's fine.

CHAIR: We will organise that as a matter of urgency, and the ANAO, as far as I understood, said they would try to get the audit done in this financial year but otherwise early in the next, if you haven't heard from them.

Mr Laurie: That's fine; we'll wait for that.

CHAIR: Terrific.

Senator DAVEY: That's all from me. I look forward to your new training facility being up and running at Faulknors and having a beer with some of the trainees.

Mr Laurie: Senator, can I say that when I had a look at the platforms working the other day, I think there were two or three blokes and three women. So, once we get it going, you will be more than welcome to have an opportunity to try it out for us.

Senator DAVEY: I'll try it out, but I pity the poor sheep! You'll need a big pot of tar next to me, I can promise you that much!

Mr Laurie: It wouldn't be the first time: our learners had a few difficulties.

Senator DAVEY: I am very excited about the number of young women who are entering the trade. With these new processes, new technologies and new techniques, it is an option for young women, and they are relishing it. The young women I know, who have done traineeships, are really enjoying it. I think it's a fantastic move.

Mr Laurie: Just on that, Senator, I've been involved in this game for 45 years; we've been shearing sheep for 45 years. We have a lot of women in our shed and, can I tell you, their attention to detail leaves a lot of us blokes for dead. They're a real asset in the shed. Actually seeing them shearing and [inaudible] the physical nature of that game, I think is just amazing. They're an absolute credit. They've put a touch of class into the woolshed, I can tell you. A lot of shearers won't like me saying it, but they're great to work with.

Senator DAVEY: Excellent; good to hear.

CHAIR: Mr Laurie, can I ask you if AWI has a position on APVMA's consultation to recommend or otherwise a move from S4 to S5 for Numnuts?

Mr Laurie: Any of the things that we can actually get into the hands of producers in the simplest terms is a good thing. I know that we've been involved in this debate to a certain extent. John, you might be able to say where we're up to on that.

Mr Roberts: I think, if it's okay, I'd rather give you a full and thorough response. We could probably give you a report from our R&D team on where we sit with that.

CHAIR: I think that's a terrific idea. We've had some discussions with APVMA. We had a brief discussion with Meat and Livestock. It would be terrific if you could provide that. Thank you. I think that brings us to the end of your presentation tonight. Please go with the committee's thanks.

That concludes today's proceedings. The committee is due to recommence its examination of the budget estimates on Friday 18 February 2022. I thank Ministers Mackenzie, Hume, Duniam, Ruston and Colbeck; officers of the Department of Agriculture, Water and the Environment; and all witnesses who've given evidence to the committee today. Thank you also to Hansard, Broadcasting, the secretariat and my colleagues. We stand adjourned. Good night.

Committee adjourned at 19:49