



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Estimates

(Public)

TUESDAY, 5 APRIL 2022

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RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Tuesday, 5 April 2022

Members in attendance: Senators Antic, Ciccone, Davey, Faruqi [by video link], McCarthy [by video link], McDonald, Mirabella, Patrick, Rice, Roberts, Sheldon [by video link] and Whish-Wilson [by audio link]

AGRICULTURE, WATER AND THE ENVIRONMENT PORTFOLIO

In Attendance

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

Department of Agriculture, Water and the Environment

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 Lyn O'Connell, 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 and Resource Economics and Sciences

Dr Jared Greenville, Executive Director

Mr David Galeano, Assistant Secretary

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

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, First Assistant Secretary

Drought and Farm Resilience Division

Ms Kerren Crosthwaite, First Assistant Secretary

Environmental Biosecurity Office

Dr Robyn Cleland, Chief Environmental Biosecurity Officer

Ms 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

Mrs Jasna Blackwell, Acting Chief People Officer, People Division

Ms Emma Connell, Acting Assistant Secretary, People and Policy Branch

Ms Jill Mand, Assistant Secretary, Integrity Branch

Ms Tanja Watson, Acting Assistant Secretary, Capability Planning and Change Branch

Plant and Live Animal Exports Division

Ms Tina Hutchison, Acting First Assistant Secretary

Portfolio Strategy Division

Ms Cathryn Geiger, Acting 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

Ms Rachel Connell, First Assistant Secretary

Mr Matthew Dadswell, Assistant Secretary, Strategic Water Policy and Engagement

Ms Kirsty Bunfield, Assistant Secretary, Regulation and Governance Branch

Australian Fisheries Management Authority

Mr Wez Norris, Chief Executive Officer

Ms Anna Willock, Executive Manager, Fisheries Management Branch

Mr Angus Tye, Acting Chief Operating Officer

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 Sheila Logan, Executive Director [by video link]

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

Australian Wool Innovation Limited

Mr Jock Laurie, Chair [by video link]

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

Dairy Australia

Mr James Mann, Chair

Dr David Nation, Managing Director

Mr Charles McElhone, General Manager, Trade and Strategy

Grains Research and Development Corporation

Mr John Woods, Chair

Mr Nigel Hart, Managing Director

Ms Cathie Warburton, General Manager, People, Communications and Governance

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 & Livestock Australia

Mr Jason Strong, Managing Director

Mr Alan Beckett, Chair

Committee met at 09:02

CHAIR (Senator McDonald): Good morning. 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 2022-23 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, and 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 20 May 2022 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any 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, and 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 for 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 purposes 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 or how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated in the *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 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. Senators, departments and agencies have been provided with advice on the arrangements in place to ensure the budget estimates 2022-23 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 arrangements.

Department of Agriculture, Water and the Environment

[09:04]

CHAIR: Welcome. Minister Duniam, do you or Mr Metcalfe wish to make an opening statement?

Senator Duniam: No, thank you.

Mr Metcalfe: No, thank you.

CHAIR: We are now going to start with corporate matters. Senator Sheldon, I believe you have questions.

Senator SHELDON: Good morning, everybody. I want to go to some questions regarding freedom of information requests. How many requests were received in 2021-22?

Ms Linacre: As at 14 March 2022, we have received 122 requests.

Senator SHELDON: How does that compare with the average over the last five years?

Ms Linacre: That is pretty consistent. For financial year 2020-21, we received 248, so we would assume that, if you double 122, that is about consistent.

Senator SHELDON: Your maths is as good as mine. If you were looking at the average over the last five years, how would that compare?

Ms Linacre: The average over the last five years I don't have with me, but from memory there hasn't been a substantial increase. I can take on notice the actual numbers, but we haven't seen a huge increase.

Mr Metcalfe: The only issue might be that our department was formed just over two years ago, so the figures that date back before February 2020 would be from the two predecessor departments, and there may be some glitches associated with that. But it sounds like the numbers have been relatively steady.

Ms Linacre: Yes, they are pretty stable numbers.

Senator SHELDON: Have responses been provided in accordance with statutory deadlines?

Ms Linacre: We have 100 per cent of our decisions made and delivered within the statutory time frames.

Senator SHELDON: How many have been subject to request for internal review—any?

Ms Linacre: To date, if I take the 2021-22 numbers, we have received 12 internal review requests this financial year. We work on the basis of around a 20 per cent review rate.

Senator SHELDON: How many are subject to the Information Commissioner's review?

Mr Metcalfe: If I take numbers from 2021-22 financial year 3, we have received three OIC reviews this year, so about 25 per cent of internal reviews.

Senator SHELDON: Have any gone to the Administrative Appeals Tribunal?

Ms Linacre: We have a number of matters on foot before the Administrative Appeals Tribunal but those matters may not relate to decisions to request for review within this period. The Information Commissioner has referred a number of matters under the powers under 54W of the Freedom of Information Act for the AAT to review, so we don't have any on foot where there has been a decision that is subject to review by the AAT.

Senator SHELDON: Are you aware of any from this 2021-22 period?

Ms Linacre: We have had a number of new FOI matters before the AAT but they relate to decisions made in previous financial years where the Information Commissioner has referred them to the AAT under section 54W for review, rather than conducting a review of themselves.

Senator SHELDON: That is clear now. I now want to move to staffing levels. There is a note in the budget, if I understand correctly, about a higher allocation for staffing levels. Can you take me through that, what areas there are changing patterns of staffing?

Ms Briscoe: Can I clarify, was your question about in the budget? I missed the first part. Was it 'this budget announcement, increased staffing levels'?

Senator SHELDON: That is correct, yes.

Ms Briscoe: We also have our Chief Financial Officer on videoconference, who may have that number at his fingertips.

Mr Pak Poy: The staffing numbers, the ASL numbers in the portfolio budget statements for outcomes 3 and 4 can be found on page 77. The average staffing level number for 2022-23 for outcome 3 is 614. The average staffing level number for outcome 4 for the department can be found on page 85 of the portfolio budget statement. For 2022-23, that is 3,857.

Senator SHELDON: Is there additional [inaudible] in this projected financial year? Are those staffing positions increasing in regional Australia?

Mr Pak Poy: Sorry, I couldn't get all of that. I thought you asked: 'Are those staffing numbers in regional Australia?'

Senator SHELDON: And what shift there is into regional Australia. What parts of regional Australia are those staffing levels going to? Has there been an increase in staffing levels in regional Australia?

Mr Metcalfe: Just while Mr Pak Poy sees if we can provide more detail, I can point you to the fact that there was a decision by the government to provide better pathways for Indigenous employees in the parks part of the department. That is covered by the environment committee, but that is a very positive development to ensure that we are able to increase Indigenous employees and create better career pathways to more senior roles for them. That is obviously one impact in regional Australia.

The other aspect is that, as a department, indeed like many other departments and employers and others, we are far less focused on whether or not the job has to be physically occupied by a person located in Canberra but whether it can be done in some other way through some other locality. So many parts of the department in their recruitment decisions now are looking for the best person. If that person happens to be located other than in Canberra or isn't prepared to move to Canberra, we go ahead and employ them using virtual working techniques. That is proving very positive for us. I'm not sure if that level of information has been picked up in the data, and we probably have to do some further work to provide a picture, but I can say that, for a couple of reasons, including the fact that the Canberra labour market is virtually at full employment, for us to actually fill vacancies, we're just looking for wherever we can find people and working out ways of working with them and bringing them into teams.

The final point I'll make is that I think we previously reported on recruitment activity across biosecurity, and particularly we brought on board a large group of new biosecurity officers over the last few months and trained them. They, of course, are primarily located outside Canberra, both in capital cities and in other regional locations where biosecurity staff are present. Having given you that context, I'll see if Mr Pak Poy—who is in isolation, so he's remote from the room here in Canberra as well—can add any further detail to what I've said.

Mr Pak Poy: I can't really. That was going to be the gist of my answer as well, because the budget papers and the way the budget is allocated to the department don't include any differentiation between whether an ASL will be based in Canberra, in the region or, indeed, offshore if necessary.

Senator SHELDON: So how do we track the movement of labour into regional areas? How does that work?

Ms Briscoe: We have 112 locations across the country—following on from the secretary's comments. Each of our areas has a workforce plan, and they have options in terms of where they can recruit those staff. They can choose to advertise a position to be located anywhere in Australia, and they can locate them in one of our current locations. In terms of tracking, I've got some data on where our people are currently located if you'd like me to touch on that.

Senator SHELDON: Yes, and probably from this point of view as well: what is the increase or decrease—hopefully not—from last year?

Ms Briscoe: I think I'll have to take that second part on notice. In terms of location, we have 1,138 staff in what we call our regional and remote locations and another 231 in external territories, as the secretary mentioned. We have national parks and AAD which are in locations which we call external territories. I'll have to take on notice the increase. That data is as at 30 November, unless Ms Blackwell has an update.

Mrs Blackwell: The data I have at the moment, as at 31 January, has 1,111 staff in regional and remote Australia, and we have 253 employees in the external territories that Ms Briscoe just referred to, so a slight increase in those two areas.

Senator SHELDON: Mr Secretary, you may be able to put me onto somebody who can also assist with the answer to this question, but you mentioned the pressures of finding staff. Is what the private sector is offering in wages adding to those pressures of finding staff?

Mr Metcalfe: I think it's possible, to an extent. We're a very big department, and, as Ms Briscoe has just indicated, we have a highly distributed workforce. The majority of our staff are here in Canberra, but we are literally in many small towns and regions across Australia, because of our work with export meat processing establishments or through the Commonwealth Environmental Water Holder or the Office of Water Compliance—all of those have staff located—as well as biosecurity staff, parks staff, Antarctica and whatever. So there are a lot of people outside Canberra, and then we have a lot of staff in capital cities other than Canberra as well. So in any comments I make it's not possible to say that it's one factor or another. What we do know is that the Canberra labour market is what I'd describe as pretty hot. We find that staff move between departments. When we advertise roles here in Canberra, we quite often don't get the number of candidates that we'd normally want. That led to this workforce planning that I described earlier where we are far less worried about the location of an individual and more worried about their ability to do the job. One of the silver linings in the last couple of years has been the ability to work virtually, as we are right now, and to do your job from wherever you happen to be.

So I don't think one particular factor—whether it's pay levels in the private sector, pay levels in state governments or pay levels elsewhere—would be a determining factor. Probably in some places it is, but in others, I suspect, a bigger determining factor is where people want to work, the contribution they want to make and the flexibility they have in their working arrangements. We're very proud of our flexible working arrangements and a range of other factors as well.

Senator SHELDON: That's all I have on corporate matters, but I just want to double-check and ask about some budget measures regarding the Supporting Agricultural Shows and Field Days Program. That may come under outcome 3.

Mr Metcalfe: Yes, that really comes under outcome 3. That's up next, I think.

Senator SHELDON: Good. Thanks very much.

Senator McCARTHY: I have a few questions to follow up. On the remote and regional locations, are you able to break down those numbers you provided into First Nations people's employment?

Ms Briscoe: What we do have is numbers of First Nations people, but I don't think we will have it broken down by location. We would have to take that on notice.

Senator McCARTHY: If you can. I know we spoke last week about the range of programs. I am interested in other areas of the ag department—for example, your scientific branch. Do you have First Nations people in that branch?

Ms Briscoe: To be accurate, I'd have to take that on notice as well. I would assume we do because the majority of our First Nations people are not in Canberra. They are outside Canberra. But the breakdown by division, function and location we could take on notice.

Senator McCARTHY: Okay. And you have 253, is that right, in remote external territories?

Mrs Blackwell: Yes, that's right.

Senator McCARTHY: How many of the 253 would be in the Indian Ocean Territories of Christmas Island and Cocos (Keeling) Islands?

Mrs Blackwell: I don't have that level of detail before me, but I will take that on notice and I could come back in the break.

Mr Metcalfe: Yes, that sort of detail we can probably come back to you on through the course of the morning. That will be a small number of staff associated with our parks function there. As I'm sure you are aware, we've recently added to that area by the declaration of the Indian Ocean Territories Marine Park, which is a wonderful development.

Senator McCARTHY: It is a fantastic development and we have certainly been lobbying very hard behind the scenes on that one. I'm really happy for that region to come under that. Thank you for that. I have a couple of questions on budget measures. I'd just like further information about the \$15.4 million over two years that was included in the budget to extend the Supporting Agricultural Shows and Field Days Program and support for ag shows. Can the department provide a breakdown of this funding by agricultural show and field days, along with which year the funding will flow and the purpose of the funding?

Mr Metcalfe: We will be able to answer that. It's in outcome 3. I think Senator Sheldon has flagged that he has questions there as well. When we get there, we will be happy to talk with you about it.

Senator McCARTHY: Alright. I've given you a heads up on what the question is then!

Mr Metcalfe: Thanks for the advance notice. There are no excuses for not being prepared! Thanks, Senator.

Senator McCARTHY: That's alright. No worries. I'm happy, Chair, to move to the next section.

CHAIR: Terrific. Thank you. With that, we will release the corporate matters part of the department and move to outcome 3.

[09:26]

CHAIR: Welcome back. We are up to outcome 3. Senator Sheldon.

Senator SHELDON: I'll go back to that question, that we indicated before, from both myself and Senator McCarthy. Is there some further information about the \$15.4 million over two years that was included in the budget, which we just raised? It goes to extending the Supporting Agricultural Shows and Field Days Program. If you give us a breakdown by agricultural show and field day, along with which year the funding will flow and the purpose the funding.

Ms Deininger: As you've indicated, a new budget measure was announced in the budget in relation to the Regional Agricultural Show Development Grants Program. The total funding is \$15.4 million—\$14 million of that is administered funding and then \$1.4 million of that is department of funding. That's the breakdown in terms of administered versus departmental.

Senator SHELDON: Are you able to give us a breakdown of where the specific funding is going to specific shows?

Ms Deininger: This is a grants program, so what we will now do that the budget announcement has been made is that we will run a grants program. There haven't been decisions in relation to the successful applicants in relation to that funding of \$14 million. I should say as well, the breakdown you asked for over the financial years—so \$8 million is accepted in 2022-23 and \$6 million in 2023-24. That's for the administered funding—the \$14 million that I mentioned.

Senator SHELDON: Do you have a funding objective by state and by region out of that pool of funding? I appreciate that people are making applications and submissions but is there an aim for how it will be broken up?

Ms Deininger: The way that the grants are awarded is based on the applications. I'll go to Ms Stanion, but I don't believe that we have a proportional allocation, if you like, between jurisdictions.

Ms Stanion: That's correct. The original round was heavily oversubscribed. We received 424 eligible applications for almost \$70 million and we were only able to support 122 grantees, so we'd be aiming to support the shows that were not able to be supported last time. But, as Mr Deininger mentioned, it is an application process, so we would be looking to support as many as we can from the applicants that we received.

Senator SHELDON: Can you step me through what the merits process would be on the allocation of those funds? You said you'd be looking at those shows that weren't able to be funded, because it was oversubscribed. Obviously, [inaudible] considerations in your allocation for the future. [Inaudible] based processes followed?

Ms Deininger: You were breaking up a little bit there. To be clear: we will be running a new grant program, so we won't be, for example, going back to initial applicants and visiting those. We will be running a new process and assessing those applicants. We do have a fact sheet that we could arrange to be tabled that provides some additional detail about why these measures are important. It really goes to the importance of shows and show societies as significant events in regional areas and significant points of infrastructure.

Senator SHELDON: If you could table that, that would be helpful. Thank you.

Ms Deininger: We'll table the fact sheet.

Senator SHELDON: I would like some further information about the \$12 million of funding that was included in the budget to support agricultural trade events. Can the department provide a breakdown of this funding by agricultural events along with which year and how the funding will flow?

Ms Stanion: We have not yet made final decisions about which large shows and events will be supported. The Prime Minister did make an announcement about Beef Australia 2024 receiving \$6 million, but, beyond that, we are not at the point yet where we have developed guidelines or made decisions about the events that will be supported.

Senator SHELDON: So the Prime Minister made a decision without any guidelines for the events prior to those guidelines being established?

Mr Metcalfe: Beef Australia, as you know, has been supported by the Commonwealth government over many years and is the premier event for the beef industry.

Senator SHELDON: To build on the secretary's comments: there was some funding that the government previously provided to Beef Week for the most recent conference. I'm not sure whether Ms Stanion is aware of that amount.

Ms Stanion: Not off the top of my head.

Ms Deininger: It's in that \$5 million to \$6 million amount, but I'll see if we can get there before the end of the session.

Senator SHELDON: Thank you. What is the time line for the processes for decisions to be made?

Ms Stanion: It will be within the next few months. We're starting work on that now.

Senator SHELDON: Thank you. I would like to go to the Regional Investment Corporation's Plantation Loan program.

Ms O'Connell: We'll be able to assist with policy related questions, but we might have to refer to the actual Regional Investment Corporation.

Senator SHELDON: There's a question on notice from additional estimates. The question date was 25 February 2022, and the question was SQ22000185. I want an update on the questions that were asked. How many eligible businesses have now applied for loans from this program since it was launched in December last year?

Ms O'Connell: Senator, is this the plantations loan product?

Senator SHELDON: Yes, that's correct.

Ms Crosthwaite: The answer to the question on notice was that there had been one application for plantation loans, and it's my understanding from the RIC that the answer is still that there has been one application for plantation loans.

Ms O'Connell: To put that in context, the plantation loan product was launched in December last year.

Senator SHELDON: Has that loan been approved? What's the time line for that loan's consideration?

Ms Crosthwaite: That would be a question for the Regional Investment Corporation.

Senator SHELDON: I might now hand back to my colleague. I think we're ready to go to ABARES.

Australian Bureau of Agricultural and Resource Economics and Sciences

[09:36]

CHAIR: Senator McCarthy, do you have questions for this section?

Senator McCARTHY: Yes, I do. I have questions on ABARES, if we've got the right people at the table.

Mr Metcalfe: They're just coming forward now, Senator. The head of ABARES is an apology for the committee this morning because he is substituting for me at the National Farmers Federation conference. I was due to be on a panel there this morning, but I'm here instead with you, so I asked Dr Greenville to represent me. However, we do have the relevant deputy secretary and one of Dr Greenville's colleagues, David Galeano, to be with us.

Senator McCARTHY: Thank you, Mr Metcalfe. I think there are a lot of people who want to be at the NFF right now, including in this committee, and there are certainly a lot of senators there too. Who do we have at the table?

Mr Galeano: David Galeano, Assistant Secretary, ABARES.

Ms Deininger: Rosemary Deininger, Deputy Secretary, Department of Agriculture, Water and the Environment.

Senator McCARTHY: Thank you. I have some questions about the ABARES workforce survey. Is ABARES undertaking any further work on the impact of the workforce shortage and the cost of fresh produce?

Ms Deininger: We canvassed that a little bit last week when we appeared. The ABARES survey staff are currently out in the field to survey farmers and producers about their labour needs, so we expect to get that data in the coming months, but that survey is currently underway.

Senator McCARTHY: When you say 'coming months', do you mean before the financial year ends? What's the time line in terms of the coming months?

Mr Galeano: The current survey of the horticulture sector is for the current financial year, and the idea is we'd publish that towards the middle of this year.

Senator McCARTHY: Can you provide an update on the latest figures of the value of agriculture, forestry and fisheries as a total breakdown across each of those industries?

Mr Galeano: Yes. The last outlook we released was back in March, and it had total ag, fish and forests of, I think, \$86.8 billion. I can give you a breakdown, if you like, by cropping, livestock, fish and forest?

Senator McCARTHY: Yes, thank you.

Mr Galeano: In 2021-22, we forecast the value of crops to be about \$46 billion; the value of livestock, \$35 billion; fisheries, \$3½ billion; and forestry, \$2.2 billion. So, you add all of that up—

Senator McCARTHY: Sorry, how much was the fisheries?

Mr Galeano: \$3.5.

Senator McCARTHY: Will there be a \$12 billion fall next year?

Ms Deininger: Apologies, Senator McCarthy, I couldn't hear the question. Will there be a fall?

Senator McCARTHY: Will there be a \$12 billion fall next year?

Mr Galeano: Right, I see what you mean now. In March we released our forecast for five years out. I'll just find the number for you. The number for 2022-23, we're projecting will be \$76 billion. So, yes, that's around a \$10 billion fall to this year, but still really quite high. I think it's the second highest on record, so still pretty high.

Senator McCARTHY: Why would there be that projected fall?

Mr Galeano: There are two main things. Probably the main one is the assumed return to average seasonal conditions. This year there have obviously been exceptionally good seasonal conditions, and we're projecting we're going back to more average seasonal conditions next year, so that obviously takes the top off production.

We're also projecting that prices are probably likely to come back a little bit from the highs at the moment. So, if you put those two things together, that's why we are coming out at \$76 billion.

Mr Metcalfe: I think that ABARES has described this year as being quite an exceptional year. While, of course, some agricultural districts have done it very tough, as a nation there have been excellent seasonal conditions off the back of the double La Nina weather that we've had. And, of course, global commodity prices are the other major factor, and many of them are at very significant levels. One of the by-products of the tragedy unfolding in Ukraine is of course the impact on global wheat prices, which were at record levels. So, when you aggregate all of those issues across an entire continent, it has produced an exceptional response. But the figures in the out years are conservative in that they predict a sort of more normal pattern but still do represent an industry that is significantly growing. As you know, there's a big focus on how we can continue to help agricultural producers produce greater value and continue to perform profitably.

Senator McCARTHY: In terms of the expectation of that seasonal change impacting future years, is there any particular area of industry that will be hit more? I don't want to say 'the hardest', because I know it's tough out there anyway. You've given me the figures on crops, livestock and fisheries; are any of those going to be worse off?

Mr Galeano: I've got a table here that I'd be happy to share, or we can point you in the direction of it; it's on our website. It goes through our projected gross value and export forecast and so on for all of the out years and by each of those categories I mentioned before. I'm happy to read them out now, but I wonder whether tabling the table might be a bit more efficient.

Ms Deininger: We'll table that, Senator McCarthy. It's a very comprehensive table.

Senator McCARTHY: You can table it, but I'm actually on the website now. Where are you looking?

Mr Galeano: If you like, when we go to another line of questioning, I can fire my laptop up and find the link for you and give you the exact link. I don't have the link name off the top of my head.

Ms Deininger: The title of the table is 'Major indicators of Australia's agriculture and natural resource based sectors'.

Senator McCARTHY: That's okay, Ms Deininger. Please table that if you wish. I'm on your website, so I'll keep looking through. For now I'm happy to return to my colleagues. Thank you.

Ms Deininger: Chair, if I may also advise the committee that the government provided \$3.9 million in funding to Beef Week in 2021. I just wanted to provide that figure because I mentioned earlier that the government had provided a grant to Beef Week previously.

CHAIR: And Beef Week just won the Queensland award for best regional tourism event—I think that is the right title. For anybody listening, including members or senators, if you haven't yet been to Beef Week in Rockhampton, I can highly recommend it. As a disclosure of my conflict of interest, I was a director of Beef Week and I was the Tent City ambassador. Thanks very much for Minister David Littleproud's promotion of that.

Mr Metcalfe: Chair, I see that Beef Week 2024 is being held from 5 to 11 May, so I suggest that people make accommodation bookings now, because it's very hard to get a bed in Rockhampton around that time.

CHAIR: Also, tragically, the budget has often been scheduled for that week.

Senator Duniam: Let's get into the Treasurer's ear now!

CHAIR: Yes. The member for Capricornia ensured that that didn't happen during the last Beef Week, and I think it would be a good idea that the Treasurer took advice on that—the 5th to the 11th would not be good dates!

Senator DUNIAM: I'm sure he's listening!

CHAIR: We can only make the voices loud. Senator Sheldon, I might quickly share the call with Senator Rice and then come back to you.

Senator RICE: I want to ask some questions about forests in Victoria and the regional forest agreement in particular. I have had the advantage of beginning this discussion with Ms Campbell in environment estimates just yesterday. Some of this is picking up on where we got to there. I want to start with the meeting that I understand occurred with Victoria about the Victorian Regional Forest Agreement and want to cover off some of the things that were discussed at that meeting. Ms Campbell, are you able to talk me through the various issues that were discussed at that meeting?

Ms Campbell: I can at a high level. Early last week we had one of the regular annual meetings with the Victorians on the implementation of the Victorian RFA. Under the refresh of the RFA, the annual meetings are I think a new but certainly refreshed commitment of both parties, and really what we're looking for is increased

transparency and accountability and awareness of the RFAs. We are working with Victoria on a detailed summary report. My team, who's the secretariat for the annual meetings, are drafting that. I haven't seen it yet and we haven't shared it with Victoria, so it'll be available shortly, I hope.

We talked yesterday in the environment committee, but to reiterate here, we talked about the changes to the Victorian code. My recollection is that that code was updated in February, and that included development of compliance standards and an increased role for the Chief Conservation Regulator and a plan by Victoria to develop best practice guidelines to recognise and provide guidance to practitioners on the ground for clarity on complying with the law. The conservation regulator was also at that meeting and talked about some of their work that has been done and been planned—for example, looking at steep slopes. There was a paper released I'm going to say in November, but certainly last year; you maybe tabled that at the last estimates. There are some allegations in that paper. The conservation regulator talked about their investigation of those allegations and their plans going forward, which include more regular compliance checks. We talked about deforestation. Sorry, it wasn't steep slopes paper that you tabled—

Senator RICE: That's right; it was *After the logging*.

Ms Campbell: Yes, it was the deforestation report. Using that one as an example, I think Victoria recognised that regeneration has been an issue in their forests. They provided some additional funding to support that post-timber harvesting work, including, again, best practice guidelines for regeneration, developing procedures. The Chief Conservation Regulator is also looking at more proactive compliance checks earlier in the process, so when regeneration fails they'll know sooner rather than having the long lag times we have seen previously.

Senator RICE: Okay. I want to ask further about a couple of those things. In particular, that meeting is at a time when the interim protections that were put in place under the Threatened Species and Communities Risk Assessment are about to become a permanent protections—at least, that was the time line. Can you tell me where things are at in terms of the time line of the permanent protections coming into place, which was scheduled to be this month?

Ms Campbell: The interim protections were discussed at a high level. Victoria is still working through its process on establishing the permanent protections, which are due in April. They've assured us that they are on track to have those permanent protections in place by April, but they weren't in a position to talk yet—I think the meeting was still in March—about what those permanent protections would be. So we don't have full detail of that, but we're assured that they are on track for coming into place in April.

Senator RICE: Can you tell me what engagement the Commonwealth has had with Victoria about the adequacy of the interim protections and whether you have engaged with them about the need for changes from those interim protections for permanent protections?

Ms Campbell: What I will say is that we have discussed those interim protections and they've advised us, including in that letter that I think we have tabled for you previously—I think it was in this committee, but it may have been in the environment committee—that they are in place now. Their process for running through the final protections, as I say, is underway. In terms of the detail of us looking at the adequacy, and conversations about that, I don't have that with me. I'd have to take to take that on notice.

Senator RICE: Have you actively engaged over the adequacy? For people who weren't at the environment committee hearing yesterday, when we talked about the fact that the Victorian government has declined—in fact, it was a question I'd put a notice in this committee asking for further details of the risk assessment which informed their interim protections, and the Victorian government has declined to provide us with that further information, either me or the Senate or the department. So I'm interested to know what further engagement the department is having, given that information hasn't been provided and further engagement then as to whether the permanent protections are going to be different from the interim protections.

Ms Deininger: We are continuing to engage with Victoria in relation to the provision of that document. We understand that the Senate, and you, in particular, Senator Rice, have sought that. We are continuing to engage with them on that. I wanted to mention that. I think we discussed that yesterday.

Ms Campbell: In terms of the permanent protection, because we haven't seen what those are yet—we haven't have engaged in that—

Senator RICE: But they're meant to be in place in April. It is 5 April today. That gives us 26 days, and there is Easter and Anzac Day and everything in between.

Ms Campbell: Again, Victoria have assured us that they will make their decisions. Under the RFA, it's Victoria's forest management system; Victoria makes their decision and then they inform us.

Senator RICE: So you don't get a chance to have a look at a draft and have any input into them?

Ms Campbell: Not to my knowledge. My team will let me know if that case has changed. For example, we did not see the code before it was done, so I would expect that we haven't seen this one and we will see it when Victoria have resolved their decision.

Senator RICE: Since yesterday, just looking at what I see are pretty inadequate interim protections, has the federal government expressed concern to Victoria that, in their action plan, they only cover priority species, not all of the listed species? The regional forest agreement says that they would undertake a risk assessment and, where necessary, use reasonable endeavours to implement interim enforceable protections. They haven't given you or me information as to why, of the 79 species or communities that are potentially impacted by logging, they've only put in interim protections for 32. Have you expressed concern about that, particularly in light of them not giving any further information as to why that risk assessment only resulted in interim protections for 32 species or communities?

Ms Campbell: To clarify: my understanding of that risk assessment is that it focused on additional measures that would be needed for species, with a focus on bushfires. This is in the context of the RFA being extended effectively in parallel with the bushfires. I don't think it's reasonable to read the risk assessment as the only actions being undertaken in the RFAs. It's an additional action. So, looking at the risk assessment along with the conservation advice, along with a range of actions that are, for example, longstanding practices, I think is a more accurate way to look at the RFA.

Senator RICE: But it's not just the bushfires; it's the impact of logging operations on threatened listed species under the EPBC Act. In particular, say, for example, in the Central Highlands regional forest agreement—the Central Highlands largely weren't impacted by the fires. In fact, it's the Central Highlands that I noted, if you look at the action plan, has only one species that is covered off in the interim protections, and that's the Baw Baw frog. That's great—yes, we need to be doing a lot to protect the Baw Baw frog—but there are many other species that are being impacted. Obviously the critically endangered Leadbeater's possum is one of those, and there's no information. I'm wondering why the Commonwealth haven't raised this with Victoria.

Ms Campbell: Again, we continue to raise it with Victoria, as flagged yesterday and I think recently today. We are continuing to look for that risk assessment from Victoria. We are continuing to raise the issues. Again, the risk assessment and action plan that you're talking about are not the full extent of the RFA. It is a specific action which was done partly for the response to the bushfires, which is why Central Highlands is less prominently featured. We shouldn't read from that that there aren't actions in place to support—

Senator RICE: There are actions in place that, so far as we discussed in the environment committee yesterday, have not resulted in a change for the better in the conservation status of many of the threatened species that are present within RFA regions. Clearly, given the trajectory has been negative, we're going to have to do something different if we're going to tackle the fact that we have got species that are becoming more and more threatened.

Can I move on to the code of practice. Since discussing the code of practice with you in the environment committee yesterday, I have been made aware of concerns that have been expressed about the code by various environment advocates and forest protection advocates. In fact, I've got a couple of documents I'd like to table, which we have copies of. One was a letter from about 20 different environment and forest protection organisations across Victoria to the Victorian minister for the environment. The second was *Briefing note: the importance of the precautionary principle in environmental and natural resources law*. Clearly, the biggest concern about the changes to the code is what it does to the interpretation and implementation of the precautionary principle. Does the Commonwealth feel that the precautionary principle is important in our forest and environment law?

Mr Metcalfe: Yes, the precautionary principle is important. It's embedded in the EPBC Act and it's important in the RFS.

Senator RICE: If you go to *Briefing note: the importance of the precautionary principle in environmental and natural resources law*, on the second page of that, I wanted to get your response to the statements made there about the precautionary principle in the code. The second paragraph on the second page states:

Clause 2.2.2.2 states that the precautionary principle must be applied to the conservation of biodiversity values and that the application of the precautionary principle will be consistent with relevant monitoring and research that has improved the understanding of the effects of forest management on forest ecology and conservation values.

VicForests must conduct its timber harvesting operations consistently with the Code, including the precautionary principle.

You'd agree that they're important measures that need to be continued to be included in the code?

Senator Duniam: Senator Rice, in fairness to the officials: these documents have only just been presented to them now. I think as a general proposition Ms Campbell has outlined the very high-level views around the precautionary principle. I note that the documents you've provided are authored, I gather, by legal academics from Environmental Justice Australia?

Senator RICE: Yes. Legal practitioners from Environmental Justice Australia.

Senator Duniam: Of course. And, as we know with legal practitioners, if you find two lawyers you'll have seven opinions! It's important for the officials to perhaps digest the information you've provided in the documents tabled and then, perhaps on notice, they can answer some of the questions you're asking.

Senator RICE: I think those two statements I've read out—one is a clause from the Code of Forest Practices for Timber Production in Victoria, which Ms Campbell is obviously very familiar with. She has been telling me she was discussing it with the Victorian government just last week. In fact, the second statement I'm wanting to get a response to is the same: it's included in the code.

Ms Campbell: Again, I'll have to take it on notice, again looking at that and comparing it to the language in the code.

Senator RICE: Come on! Those two statements are pretty straightforward and are saying that the precautionary principle must be applied and that VicForests must conduct its timber harvesting operations consistently with the code, including the precautionary principle. I wouldn't have thought they were controversial statements.

Senator Duniam: I think Ms Campbell makes a good point. This is a statement replicated in this document. I think you would expect any Commonwealth official to apply a bit of due diligence in assessing documents tabled by anyone here to make sure they give you a full and proper response, not just: 'Here, take me at my word. This is it.' Ms Campbell has said—

Senator RICE: I think you're being pretty obstructive there, Minister Duniam.

Senator Duniam: They're prepared to take it on notice, Senator Rice. I think that is entirely within the standing orders and, I think, a very reasonable thing. If anyone were serious about the issues they were raising they would allow that to be the path they follow.

Senator RICE: Even if they weren't in the document, let's just say that I was putting these statements to you, Ms Campbell, and you, Minister, as well, that you agree with the statement that's in the clause of the Victorian forest practice:

... that the precautionary principle must be applied to the conservation of biodiversity values and that the application of the precautionary principle will be consistent with relevant monitoring and research that has improved the understanding of the effects of forest management on forest ecology and conservation values.

CHAIR: Where are you quoting that from?

Senator RICE: In the second paragraph on page 2, which is basically just outlining that's where the precautionary principle is outlined in the code of forest practice.

CHAIR: Is that a question?

Senator RICE: Yes. I just want to state that and clarify that the Commonwealth agrees that that's in the code, it's important and it's important for forest management.

Ms Campbell: I will refer to my previous answer, which is: yes, we agree that the precautionary principle is important in the RFAs and it is important in the EPBC Act. Again, it's important that the Victorian forest industry complies with the code. That's why, when we talked yesterday, we welcomed clarification of the code and that practical guidance I talked about that allows the forest industry certainty for those on-ground practitioners to comply with the code, including in relation to precaution.

Senator RICE: Then I want to go to people's concerns with the changes to the code and take you to the letter that I just tabled. Again, I could summarise this and put it to you if you're concerned about responding to a document that I have just tabled. The proposed amendments to the Conservation, Forests and Lands Act is introducing a 'god power' into timber harvesting. The new clause:

... proposes to incorporate into the Act provisions under a new subsection ... enabling a Code of Practice to include discretionary authority on the Minister or Secretary ... and effectively defer to the Minister or Secretary on any aspect of the content or administration of a Code of Practice ... The latter power is broad, largely unfettered, and extraordinary.

When we talked about the code yesterday, this wasn't a concern that you had with the code. It is certainly a concern that has now been raised with me, and I am very concerned that, rather than having an independent

assessment of whether the code is being complied with, the minister can basically call it in. Is that a concern that the Commonwealth has with these changes to the code of forest practice?

Ms Campbell: Again, I'll take the comments that I've just received on notice, look at that in more detail and respond.

Senator RICE: I note that a later paragraph says:

This would have the effect of permitting the exercise of practically unchecked executive or administrative power, potentially without any recourse even to decisions or conduct being informed by appropriate science.

CHAIR: I'm not sure we can direct those questions on policy to the department officials. Unless there's anything else to add, the official has taken it on notice.

Senator RICE: Yes, the official has taken it on notice. Minister, are you concerned about changes to the code of practice in Victoria?

Senator Duniam: As I might have been mentioned last time we met—five or six weeks ago—there's a group of organisations represented here who have a particular view on the forest industry and all those who participate in it. They've got a specific view and they are entitled to express it, as they do through you at Senate estimates. I would, as Ms Campbell has already said, want to go and check this. This is a collection of individuals' views on what they believe is contained in the proposed amendments. I don't know whether that's what Ms D'Ambrosio is doing. I know Ms D'Ambrosio is no fan of the forest industry—she's the one who's shutting it down in Victoria, so I'm pretty concerned about the Victorian government's approach to forestry on that side of the ledger. They're actually not pro-forestry, so I thought you would have been cheering them on—clearly not! They must be getting everything wrong.

Senator RICE: Basically, there are still not enough provisions being made for protection of threatened species—animals, plants and communities—in our forest areas. The science is very clear, Minister.

Senator Duniam: I love this!

Senator RICE: The Auditor-General has just done a report on the measures for protecting our threatened species that was absolutely damning. It shows that there has been lack of measurement, and where there is measurement we have a decline in our threatened species. In our forest areas, it is absolutely a case in point where we have failed to protect our animals and plants.

Senator Duniam: When I retire from the Senate I'm going to write a book about phrases the Greens use—'we know', 'the science is clear'—

Senator RICE: No, the Auditor-General has—

Senator Duniam: On an initiative—

CHAIR: I need to interrupt you, because this isn't a time for debate.

Senator RICE: I was going to ask the minister a question about whether he has read the Auditor-General's report on our threatened species.

Senator Duniam: No, but I have read the documents that referenced parts of that report.

Senator RICE: I suggest to you that it is a very important report for you, as the minister for forestry and the interaction of threatened species and forestry, to read.

Senator Duniam: Absolutely. I'm highly engaged in reforms to the EPBC Act to make sure it's actually fit for purpose and doesn't constrain economic activity in this country and take away jobs.

Senator RICE: I now go to the report that Ms Campbell mentioned, which was discussed at the meeting with Victoria—the *After the logging* report that we discussed at last estimates. Minister, you said you wanted to interrogate the findings of the *After the logging* report. Have you now done an assessment of that report?

Senator Duniam: As Ms Campbell has said, the interaction with the Victorian officials who are responsible for the territory you claim—and, as we discussed at last estimates, states and territories are responsible for on-the-ground management of the forestry industry—is ongoing. We'll see where that takes us. We take our role seriously and I know you do too.

Senator RICE: You personally, Minister, said at the last estimates that you wanted to interrogate the findings of that report. Have you done any further assessment of the issues that were raised in that report about the failure of regeneration and the fact that we don't regrow a very significant area of forests after they are logged?

Senator Duniam: Again that's your assessment and assertion. Part of what I do as a minister is ask experts, like our departmental officials, to engage with their counterparts at the state level on claims that are made so that I can be fully apprised. I'd love to fly down to Victoria and spend my time investigating all of these things—all the

claims made about the salmon farming industry, for example. I would spend all of my time heading down rabbit burrows on claims made by various groups. My trusted officials here are doing that work. I have every faith that they will ensure that our obligations under the RFA and the EPBC Act are all discharged and we're on the right heading.

CHAIR: Senator Rice, make this your last question, please.

Senator RICE: Have they given you a briefing on the report since we last discussed this at estimates, Minister?

Senator Duniam: I've had several discussions with officials—

Senator RICE: Have they given you a briefing? Is there a briefing paper that has been prepared for you?

Senator Duniam: I'd have to take on notice whether there's a specific briefing paper.

Senator RICE: Ms Campbell, have you briefed the minister?

Ms Campbell: No. Our intention is that when we have the outcomes from the Victorian meeting last week we will brief the minister with the outcomes of that meeting, which would include the discussion on the deforestation issues, which I've outlined in this hearing. They were discussed at that meeting.

Senator RICE: That's a bit different to you, Minister, saying to me at last estimates that you wanted to interrogate the findings of the report.

Senator Duniam: As I've already said, the officials are well-equipped to do what I have asked them to do and on a matter I take seriously, because every claim made about this industry I think does need interrogation. As I said, I have the highest level of faith in Ms Campbell, her team and the rest of the department to make sure that the information I'm provided on this and other areas of our primary industries that I look after are stress tested. So that interrogation is underway.

Senator RICE: I've got one last question. A different issue that probably won't be as controversial—

Senator Duniam: That disappoints me!

Senator RICE: There was a question on notice about the supply of pallets. There was quite a discussion. In response you said that work was being undertaken as part of the Agricultural Trade and Market Access Cooperation grant program. Can you update me as to what has been undertaken in regard to this?

Ms Deininger: Senator Rice, can we just get a reference number, if you don't mind, please, for that? It might not actually be in our area. It might be in a different area if it's under the ATMAC program. Do you have the reference number?

Senator RICE: I haven't got the number here in front of me, I'm sorry.

Ms Deininger: But it was about an ATMAC grant?

Senator RICE: Yes.

Ms Deininger: In relation to pallets?

Senator RICE: In relation to pallets.

Ms Deininger: Mr Tinning may be able to assist you, Senator Rice.

Senator RICE: Hello, Mr Tinning.

Mr Tinning: Hello, Senator. You were asking about the ATMAC grant for forestry; is that correct?

Senator RICE: Basically regarding the supply of pallets. It said that work was being undertaken as part of ATMAC that 'may assist industry in overcoming some of the challenges preventing the use of plantation hardwoods to manufacture pallets'. I want to know whether there's any further detail on what work is being undertaken and whether any grants have been awarded.

Mr Tinning: That particular program is around export diversification. My understanding is that there is active consideration of a grant for the forestry sector, but there has been no announcement at this point.

Senator RICE: Can you give more detail about what that would be?

Mr Tinning: About the grant program or about this particular grant?

Senator RICE: About that specific grant that there's active consideration of.

Mr Tinning: There has been no announcement at this point of any grant.

Senator RICE: So was it relating to pallets?

Mr Tinning: It's relating to support for the forestry sector to diversify their export markets.

Senator RICE: But that's not going to be addressing the issue of the supply of pallets here domestically, which was my question. Basically there's a problem with pallets. My question was relating to the use of plantation hardwoods for pallets.

Mr Tinning: No, that's not the purpose of the ATMAC program. The purpose of the ATMAC program is for a range of agriculture and forestry industries—

Senator RICE: Then it was quite misleading, the answer to my question that was taken on notice. In response to the question, I was told that work's being undertaken as part of the ATMAC grant program that may assist the industry in overcoming challenges preventing the use of plantation hardwoods to manufacture pallets. So, it doesn't sound like anything is actually happening in that regard.

Mr Metcalfe: Senator, let's just, over the break, check what was said, what we know, and we'll come back to you on that point.

Senator RICE: Thank you. Thank you, Chair.

Senator MIRABELLA: I have a broad policy question for the secretary and possibly the minister. If there were to be a change of government in the near future, what programs, projects, policy areas under the umbrella of forward estimates would be affected that you are planning for?

Mr Metcalfe: I can't really answer that question. Firstly, it's very hypothetical, and secondly, I have no information, and it's not the department's role to comment in relation to any announcements that may or may not have been made by the federal opposition about these areas. I direct you to any statements that have been made by the opposition and invite you to reach your own conclusions.

Senator MIRABELLA: Minister?

Senator Duniam: I think it is an important area of contrast as we head to the election, obviously. There are a range of measures that we have announced that we have in train, and I'm sure there'll be much more to be said between now and election day. The biggest concern I think we have is that there is no commitment from the federal opposition about the measures that have been announced. We understand that the opposition will have a budget of their own, should they win the election, whenever that is to be held. So, that puts a big question mark over things that are already out there. And in the absence of a commitment to those things being funded, one can only assume that they won't be continued. That's my real concern, and in the area of native forest policy I think that is going to be a significant area of concern, too.

We've already seen, in Western Australia and Victoria, two state governments of the same political persuasion as the federal opposition that have shut down those parts of a very important, vibrant and sustainable industry. What's going to happen at a federal level? In the absence of a commitment to protect that, I expect that we will see them go down the same path as their state counterparts. So, there are a few questions there that need answering. And as we head to an election, I'm sure that the opposition will put some meat on the bones—much-needed information to assuage the concerns of those in the industry and the communities it supports.

Senator MIRABELLA: So, you anticipate that the opposition spokesperson or shadow will be announcing policy? I'm confused on who the opposition shadow is.

Senator Duniam: The shadow minister for forestry, for example, is the shadow minister for agriculture, and that is Ms Collins, the member for Franklin. And to date there have been no announcements on forestry. And if there are none, I expect that there will be zero support for policy or budgetary measures for the forestry sector.

CHAIR: Thanks, Senator Mirabella. Senator Rice has found the question on notice that she was looking for to refer to.

Senator RICE: Yes. My question on notice was about the use of hardwood plantation logs for timber purposes, such as pallets, rather than just being chipped, or being shipped offshore. And the answer said that the department has had preliminary discussions with industry about the potential use of plantation hardwood in the manufacture of pallets and that the government is providing \$1.4 million in support through the Agricultural Trade and Market Access Cooperation grant program to Forest and Wood Products Australia to explore the production of higher-value hybrid engineered wood products. It said that while the program is focused on adding value to and diversifying export markets, work undertaken as part of this project may assist industry in overcoming some of the challenges preventing the use of plantation hardwood to manufacture pallets for domestic use. So, it sounds to me, from what you have just said, that in fact the work that is being undertaken through the ATMAC program isn't directly relevant to overcoming the issues with turning plantation hardwoods into pallets.

Ms Campbell: Senator, I think you had read out the wrong number, or a different number than I had, so we didn't track it down, but we've got the question now. And Mr Tinning and I are just trying to explore more about

the actual grant and the detail, and we can certainly take that on notice. My understanding is that the grant is much broader than just pallets. It's about higher-value wood uses for the forest industry, which could include pallets, so it's not a specific pallet question. It's about how we use innovation and use the resources to the best effect we can.

Senator RICE: Can you provide me then with some further details about that grant and that overall—yes.

Ms Campbell: We'll take that on notice.

Senator RICE: Thank you.

Senator SHELDON: Can the department confirm whether the budget included any funding to extend the international freight assistance mechanism.

Mr Tinning: That program is managed by Austrade. We work closely with Australia on that initiative. There was no funding announced in the last budget in terms of DAWE or Austrade for an extension.

Senator SHELDON: So there is no intention for support for exporters to give them some level of certainty on air freight until international border restrictions are removed completely and a new normal is established. We still do have some restrictions, don't we?

Mr Tinning: We are very conscious of the impact of high freight costs on exporters, and the IFAM team works actively with them on a daily basis to make sure that we are facilitating the air transport that facilitates our exports. In terms of an extension, we are expecting airfreight to return to a new post-COVID normal over the coming months. We are noting that the number of planes coming in and out of Australia is increasing, and that is reducing freight costs.

Senator SHELDON: I wonder if you could give me a breakdown by financial year of the funding for the international freight assistance mechanism.

Mr Tinning: I will be able to get that for you, but you might need to give me a couple of minutes.

Senator SHELDON: If you can, it would be great.

Mr Tinning: I'll be able to come back to you in the course of the day.

Senator SHELDON: How much of the funding has been allocated from the Agriculture budget, as well.

Mr Tinning: As mentioned, the funding for this initiative comes from Austrade. We provide support in a range of ways, including through seconding departmental staff to the initiative, but the funding is through Austrade.

Senator SHELDON: Thank you. Back to you, Chair.

Future Drought Fund Consultative Committee

[10:24]

Ms O'Connell: Senator Sheldon, we're here for your questions on the Future Drought Fund.

Senator SHELDON: Which areas of Australia are still defined as being in drought?

Ms Crosthwaite: There are parts of Australia that are still experiencing some dryness. To be clear, the Commonwealth doesn't have a threshold by which we declare that there are areas in drought. There are parts of south-west Western Australia and some parts of northern South Australia that are still experiencing some significant dryness. Also I understand that there are still some parts of Queensland that the Queensland government considers to be drought declared.

Ms O'Connell: In relation to the Future Drought Fund, that's really about building long-term resilience. Notwithstanding that we don't have many areas of Australia in drought now, although we do have some, the Future Drought Fund still remains and it's focused on long-term resilience for the next drought.

Senator SHELDON: The states make the decision about which part of the state is in drought and the federal government reacts to that, but part of the Future Drought Fund and the requirement of funding levels in there is about what those projections might be from state to state. Is that accurate? You might be able to describe it to me in a clearer way.

Ms Crosthwaite: I think you're asking about the purpose of the Future Drought Fund, so I might just articulate that for a moment, if that's okay. The Future Drought Fund—

Senator SHELDON: I want to know how you allocate funds as a result of state considerations about what's in drought, if that makes sense.

Ms Crosthwaite: Firstly, the Future Drought Fund does not make allocations for funding to provide drought support. Its purpose is to provide funding for programs, projects and initiatives that build drought resilience and

preparedness. So the funding made from the Future Drought Fund is not dependent on whether a particular region or state is currently in drought. That's actually irrelevant because the intent of the Future Drought Fund is to develop a level of resilience and preparedness across the entire system. So there may be parts of Australia that are currently participating in programs funded by the Future Drought Fund which are not currently in drought, and we would suggest that, if anything, the best time to be engaging in those types of activities is when you're not in drought and when communities and businesses are in a position to participate in activities that will help them prepare for the next drought. So what I'm saying is that there is no link between when a state jurisdiction declares a region in drought and when the Future Drought Fund might fund activities.

Senator SHELDON: I appreciate that. I thought I'd let you continue because you're doing such a sterling job, but I appreciate that that was said to me at the beginning, and I also am very much aware that that's how the fund operates. What I was suggesting—and you might respond to this comment—is that I would have thought the government, in making decisions about how it allocates funds, would be considering where future drought stress is likely to occur. Correct me if I'm wrong, but I would have thought that part of that consideration of future drought stress would be advised by the state governments because of the information that they correlate. Then I'm also asking: can you provide details of how much funding we have in the drought fund at this moment? Also, in relation to the \$100 million available annually from 1 July 2020, I'd like a breakdown of how much of the money has been spent for each financial year and what that funding was allocated to in terms of water infrastructure and drought resilience projects across each hub and state and territory.

Ms Crosthwaite: I might respond to the first part of your question first. Your question was about the extent to which looking ahead at what areas may become drought prone is factored into the decision-making about how funds are allocated under the Future Drought Fund. Decisions on funding under the Future Drought Fund are informed by consultation, which has occurred, by the consultative committee which is established by the legislation. It is part of the act; it's a requirement. They did very extensive consultation to inform their four-year funding plan, which is a legislative instrument which is disallowable. That document is publicly available. Decisions about individual programs are informed by reference to that funding plan, with consultation occurring with industry and state and territory governments.

The link between what I have just said and your question about the states and territories is that there is a particular program under the Future Drought Fund about regional drought resilience planning. The Future Drought Fund provides funding to each of the states and territories to undertake regional planning for drought resilience at the regional level. At the moment the funding is being used by those regions to do some really deliberate planning and consideration about what they might need for future droughts. For some places that will be about water infrastructure. For others it might be about community capacity. That will inform what those regions may need in order to be able to build that drought resilience into the future. That will be taken into account through our ongoing consultation process in providing advice to government about what the Future Drought Fund should be doing for its next four-year funding plan. I guess my response is that yes, we certainly do take that into account, and that's happening at the regional level so that those decisions are relevant to the regions that are seeking to do their own planning for drought resilience. Does that answer that part of the question, Senator?

Senator SHELDON: That's very helpful. Thank you.

Ms Crosthwaite: The next part of your question was about how much of the funding has been spent—is that right?

Senator SHELDON: That's correct.

Ms Crosthwaite: I have a table which explains this. I will refer to that. As of this financial year there has been \$325.5 million allocated from the Future Drought Fund. What that means is that these are programs that have been decided and announced. Of that \$325.5 million, we have \$151.57 million currently under contract. That is through grants, procurements, payments to the states and territories. Of that, \$95.21 million has been spent—it has actually left the Commonwealth's coffers and has been expensed. The reason that there's a difference between those is that all of those contracts have milestones that the project proponents need to meet before we will pay them. So while there are contracts in place, some funding is still to flow because we need to see that they have delivered on the things that they've been contracted for.

You asked about the split between spending for things like water infrastructure versus drought resilience et cetera. I don't have that kind of split with me. That's something I can take on notice. If it is helpful I can let you know how much has been allocated by each program, but that would probably take me—

Senator SHELDON: That would be helpful. Taking that on notice, can you also include, when you're looking at water infrastructure and drought resilience projects, if you can break them up into each hub and state and territory as well.

Ms Crosthwaite: Certainly. This will take me a couple of minutes. Are you okay for me to read from that?

Senator SHELDON: Yes, by all means.

Ms Crosthwaite: We have a program called the research and adoption program, which has a number of different components to it. \$66 million has been allocated for the adoption and innovation hubs, which are the eight drought resilience hubs around Australia. That is all under contract and \$32 million has been spent. We also have \$4 million for hub projects, \$9 million for adoption offices, \$34.17 million for innovation grants, and another \$7.8 million for national enabling activities, which includes things like the development of a knowledge platform and that sort of thing. In total for the research and adoption program we have \$67.38 million under contract and \$32.63 million has been spent.

Ms O'Connell: That was the first of five program areas.

Ms Crosthwaite: I have four more.

Senator SHELDON: That's great. Please keep going.

Ms Crosthwaite: Under the broad umbrella of better risk management, we have the Farm Business Resilience Program, which is a program that we deliver through the states and territories, whereby farmers are able to access training workshops for developing their business plans. Of that, \$75.97 million has been allocated and we have \$15.97 million which has been spent—sent to the states and territories. For the rest we are awaiting the execution of the extension agreements by the states and territories. The other program under the better risk management umbrella is Regional Drought Resilience Planning. That's the program I was just talking about, where regions do their own resilience planning. That's a \$40.85 million program. Of that, \$11.61 million has been contracted and \$9.85 million has been spent. Similarly, we are just awaiting the rest of the money to be under contract, awaiting the return of the contracts by the states and territories.

We have two programs under better climate information: climate services for agriculture and the drought resilience self-assessment tool. These have \$32 million of funding allocated to them. Of that, \$31.98 million is currently under contract, and \$12.13 million of that has been spent.

I have two more to go. Under the drought resilient communities program we have two separate programs: one is drought resilience leaders and one is networks to build drought resilience. \$19.2 million has been allocated for those two programs, \$11.2 million is under contract and \$11.2 million dollars has been spent. So everything under contract currently has been spent there.

The final program umbrella is the better land management. We have three programs under this: drought resilience grants, drought resilience landscapes, and drought resilience soils and landscapes. \$36.43 million has been allocated for those three programs. \$13.43 million has been spent from that.

Senator SHELDON: Thank you. I want to go to the question of how the funding relates. The \$100 million funding allocation for each year, can the department interpret these figures and why there isn't \$100 million per year being spent? I am trying to be quite clear about the \$100 million allocation. Is all that being spent each year, and how is that being devised?

Ms Crosthwaite: As I explained in one of my earlier responses, the underpinning authority is the legislation, the Future Drought Fund Act, and then there is the four-year funding plan. In accordance with the four-year funding plan, the consultative committee develops proposals, which are presented to the government, to the minister, and the minister decides how the \$100 million allocation for each year is going to be spent. For some of those programs, they are spent over several years, so it may be that a program has a funding allocation that goes over three or four years. Overall, that's the way decisions are made on the funding. I assume you aren't asking a technical question about how the money goes from the Future Fund to the Future Drought Fund?

Senator SHELDON: No. That's fine.

Ms O'Connell: In short, there is \$100 million each year. Some of the detailed programs Ms Crosthwaite ran through are not amenable to single-year funding. They actually require more than one year of allocation to really make the program work. That's why it's now the second year of the Future Drought Fund, and yet we are saying the allocated funding is \$325.5 million. That's because some programs are more amenable and really need more than one year in funding to sustain them. It's very dependent on each individual program and how it's best to manage and deliver it, in terms of the allocation of funding.

Ms Crosthwaite: The only thing I would add is that money that is allocated under the Future Drought Fund can't be used for anything else. It's not like, if it's not spent, it could be repurposed. It must be spent on drought resilience funding under the act.

Senator SHELDON: Thanks. That's quite interesting. We were going through questions earlier today. The minister raised a question about forestry. I'm very mindful of the discussions we had in estimates last week, for example, the billion trees that the government keeps announcing—failed projects, failed time lines, and we've got fewer hectares under new timber plantations established in 2019-20 than in 2018-19. I want to see whether the government's actually following through on its project plan. Thank you for that information. I want to go to drought resilience.

Ms O'Connell: Just before you do, the Future Drought Fund did put out a report late last year, which stepped through the programs, the allocations, the reasoning et cetera. I commend that to you as a document that explains and, if you like, acquits the work of the Future Drought Fund for its inaugural year.

Senator SHELDON: Thank you very much. Regarding the drought resilience adoption and innovation hubs, the minister announced over \$6 million for eight adoption and innovation hubs across regional Australia, back in September 2020. How much of the \$86 million has now been allocated?

Ms Crosthwaite: That was in my previous response.

Senator SHELDON: Sorry, I might have missed that.

Ms Crosthwaite: So \$32 million has been spent so far.

Senator SHELDON: Thank you. You've touched on some of this. Thank you for your answers so far. Can the department provide an update on the establishment of each of the eight hubs? Are all the hubs now fully operational?

Ms Crosthwaite: Yes. Just give me one second and I'll turn to the right page.

Senator SHELDON: And I have some additional questions on the basis of the hubs as well.

Ms Crosthwaite: The hubs are all established. There are eight around Australia. They were launched in April 2021. The initial \$66 million investment to set up the hubs has leveraged an additional \$140 million in co-contributions from partners who participate in those hubs. There are over 140 industry and research partner organisations across the eight hubs. As of right now, the hubs have received \$32 million in funding from the Future Drought Fund, as I just mentioned.

The hubs are really starting to take off in terms of their activities. One of the key rationales for establishing these hubs was to provide a local convening point for people across different sectors. So, whilst all but one of the hubs are set up by and within a regional university, the intention is that they will bring together people from across the research farming community sectors to work together on projects and to provide assistance to participants within the hubs for applying for drought resilience grants. We've seen that a number of the hubs have been doing that and participating in some of the innovation grant rounds that we've run through the Future Drought Fund. They've really been providing a benefit to those and the quality of the application, and the projects that they're proposing have really increased based on their involvement.

So, generally, yes, they're established. They've been very busily setting up their nodes, which are their shopfront locations in regional communities, staffing those up, and working together with their partners to develop their activity plans, which set out what the hubs will be doing for their first 12 months in operation.

Senator SHELDON: How much funding is provided to each of the eight hubs?

Ms Crosthwaite: Each of the hubs gets the same amount—\$8 million each.

Senator SHELDON: How many farmers are accessing information through each of the eight hubs?

Ms Crosthwaite: I don't have that information yet. That's certainly something we've asked the hubs to be tracking. It's one metric, I suppose, that you could use—how many farmers have contacted the hubs—but I do know that each of the hubs has been carrying out workshops which have had a number of attendees that have been farmers. That's a question I can take on notice.

Mr Metcalfe: Just to add to that answer, I'm actually going to be in Toowoomba on Monday at the Darling Downs hub based at University of Southern Queensland. I'll be interested in, now that they're moving from the startup phase to the normal running phase, how that is going. Certainly one of the absolute intentions is that the hubs work very closely with farmers—that's the reason that they're based in key agricultural areas around Australia—in a very much hands-on and practical way, effectively linking the great science and research that's being undertaken by universities, research and development corporations and others and then extending that to

and adopting that at the farm level in relation to farming practices and business practices as well as networks being established. Now that we're sort of moving beyond that startup phase into the business-as-usual phase, I think we'll see a lot more farmers getting direct contact and using the value that the hubs will create.

Senator SHELDON: Could you take the question I asked about how many farmers are assessing information on notice? You mentioned also in your answer that there are other metrics. Briefly, what are the other metrics and headlines? I appreciate the detail will likely be on notice, if you haven't got it readily there.

Ms Crosthwaite: Each of the hubs is in the process of developing their own monitoring, evaluation and learning plans. Once those are available, they'll be published. In the interim, we do have a monitoring and evaluation framework for the entire Future Drought Fund and also for the research and adoption program—I will take on notice providing that—and that provides an indication of the measures of success for the hubs.

Senator SHELDON: Does that measure per the metrics for each of the hubs—just so I understand your answer clearly—go each of the eight hubs, or is it the entire eight hubs together without it being broken down?

Ms Crosthwaite: Each of the hubs will have their own, so they'll set their own success measures, I suppose. From our perspective, looking at the system as a whole, we're more interested in whether the hubs as a whole are having an impact. So the things that we would be looking at measuring may not be as simple as how many farmers have accessed it. It's more likely to be whether there's been an increase in, for example, adoption of new practices in a particular region.

Senator SHELDON: Right. I appreciate the metrics need to have some degree of depth, but I'm just trying to get clear in my mind what the metrics are. The metrics have been decided by each hub—is that what you're telling me?

Ms Crosthwaite: For their own evaluation plan, yes, they're being decided by the hub, but the department does need to approve their monitoring and evaluation plans. It's one of the milestones under their contracts with the Commonwealth, so they're required to do it. They also need to be consistent with the guidelines under which they're funded, so there are certainly some clear expectations about what we're asking of them.

Senator SHELDON: You touched on this before, but on the evaluation of the hubs, what's the timeline for the evaluations? I know you touched on it before. Just so I'm clear in my mind.

Ms Crosthwaite: There will be constant evaluation through the reporting and monitoring—I guess I'm describing monitoring, not a valuation—that we require of them. But at a higher level, in terms of evaluation of the program as a whole, there are a number of different timescales that we'll be using for that. One of them is that the Productivity Commission, under the Future Drought Fund Act, is required to do a review of the Future Drought Fund before the end of the funding plan. So that will probably be kicking off at the end of this year. That is one way that that evaluation will be done. At the same time, the department, under the monitoring and evaluation framework for the whole Future Drought Fund, will be reporting each year through the annual report on the progress of each of the programs, including the hubs program, and so that's a place you can look for that valuation. But it's going to be an ongoing monitoring and evaluation process so that we can learn from it and make changes to programs as we go, if necessary.

Ms O'Connell: And, Senator, just to help, I know we've focused on the eight hubs, but with the eight hubs there are over 40 nodes. I'm just expressing there that the reach and the immediate presence is greater than perhaps you'd get the impression with eight geographical hubs. With 40 nodes—and, as the secretary mentioned, he's visiting one of those—you get a much greater reach than what you might think of when you hear about eight hubs.

Mr Metcalfe: For example, the Toowoomba one that I'll be visiting on Monday I think has nodes in Roma and a number of other places as well that you could mention.

Ms Crosthwaite: Longreach.

Ms O'Connell: Yes.

Ms Crosthwaite: Actually, I need to correct my answer. I said that each of the hubs receives the same amount of money, \$8 million. The southern Queensland hub has an additional supernode at Armidale, at the University of New England, for which it has received an additional \$2 million in recognition of the very significant diversity and strength, I suppose, of the agriculture sector across a very big region. That's another node.

Senator SHELDON: Thank you for that correction. Will the funding for the hubs be allocated from department money, or is it part of the \$86 million?

Ms Crosthwaite: Funding for the hubs was set up from Future Drought Fund money, which is administered from the special account for the Future Drought Fund. However, there is an extension of the role of the hubs

which will be funded from the department, not from the Future Drought Fund. That's an additional \$20 million, and the intention is that each hub will receive \$2.5 million to do work that is broader than just drought resilience. Drought resilience is a relatively not constrained but defined area of particular research and adoption focus, and the intent is that the additional \$20 million which has been made available will be provided to the hubs to do work that is not strictly drought resilience. To be very clear, that Future Drought Fund money is only being spent on drought resilience purposes, so the additional funding will not come from the Future Drought Fund.

Senator SHELDON: So the \$20 million comes from department money, does it?

Ms Crosthwaite: No, actually, it does not. It's a budget measure.

Ms O'Connell: It's a separate budget measure. Essentially, in this budget the government is building on the existing hub network to deliver other extension and adoption activities, but they're not funded from the Future Drought Fund because they're not necessarily directly drought related.

Ms Crosthwaite: That's right.

Senator SHELDON: Back to the evaluations—and thank you for those answers—who carries out the evaluation of the hubs? Is it internally, in the department, or do you have someone contracted to do that? I'm very interested in that.

Ms Crosthwaite: In terms of a formal monitoring and/or evaluation or even audit role, we haven't yet decided how that will be carried out. It's likely that we'll engage someone external to the department to undertake that work, but we haven't decided exactly how that will look yet.

Senator SHELDON: Have you got a time line for that decision?

Ms Crosthwaite: I'll have to take that on notice.

Senator SHELDON: Obviously, it's a critical part of evaluating the success or otherwise. I appreciate that.

Ms Crosthwaite: Absolutely.

Senator SHELDON: We haven't got the metrics yet. We haven't got them broken down clearly into hubs. Who's doing the evaluation is pretty critical for making sure that people's money is being best spent. Obviously, money in this area is well spent, but it needs to be best spent.

Ms Crosthwaite: Yes.

Senator SHELDON: There have been a lot of media releases from the minister for agriculture in recent times about drought resilience and other funding under the Future Drought Fund. Is there a go-to document the department can provide that summarises all the funding that is being allocated for drought resilience and other projects?

Ms Crosthwaite: Every funding decision that has been made under the Future Drought Fund is listed on our website by program, by recipient and by amount. That's all publicly available as soon as the information is available and the contract has been signed. I can direct you to that. There's a lot there, because there have been a lot of funding decisions made, but that information is all available.

Senator SHELDON: Thank you. If you can direct me to where all that information is available, that would be of a great deal of assistance.

Ms O'Connell: Would you like us to give you the address from our website? I can give it to you, or you can google—

Senator SHELDON: If it's the one that you think gives us all the information in one go-to spot, I would be very pleased to see it.

Ms O'Connell: Yes. I think if you put 'Future Drought Fund' in the search bar that will take you to the right place, but for help it's www.awe.gov.au/agriculture-land/farm-food-drought/drought/future-drought-fund.

Senator SHELDON: Very straightforward!

Mr Metcalfe: Aren't you glad you asked!

Ms O'Connell: It's got all the various programs underneath. If you just go to the search button, 'Future Drought Fund' works.

Ms Crosthwaite: I'll admit I usually google 'Future Drought Fund' and go to that page.

Ms O'Connell: Google helps!

Ms Crosthwaite: The good old-fashioned Google way!

Senator SHELDON: Right! Thanks. I've got no further questions on this line of questioning, Chair.

CHAIR: Thanks, Senator Sheldon. Senator Mirabella.

Senator MIRABELLA: I have a couple of questions. What is the projected life of these hubs under current funding?

Ms Crosthwaite: The hubs are currently funded for two years, and future funding decisions will be made and announced.

Senator MIRABELLA: The reason I'm asking is that there is a general difficulty when you start talking about metrics and business cases with things that are highly qualitative. Surely, with any examination of metrics or performance, we really won't know the success of these things until the next drought, will we?

Ms Crosthwaite: I think you're right. One of the real challenges of measuring the impact of any program or spending is that the impact is measured by how you manage it the next time, and the next time is going to be some number of years in the future, which we don't necessarily know. Setting up programs and the things that we're monitoring and counting right now in a way that is going to actually be able to answer that question has been a challenge. We've invested a lot of time and energy in a monitoring and evaluation framework that we hope will get us there. If you're interested, it's a very detailed document on our website, which we've put together with great care and thought. You are right: it's when we get to the next drought and we're able to identify, for example, regions that experienced drought significantly last time and were severely impacted, whether that's by the impact on reduced agricultural production or the length of time taken to recover from the drought. If those metrics are more positive after the next drought, you would hope that you'd be able to say that the spending under the Future Drought Fund had contributed to that. However, there are questions about attribution and the degree to which you can say that it was these programs.

Senator MIRABELLA: I know it's early days, but when we are in the midst of drought the effects on agricultural output are clear, obvious and well-known. The effects, particularly of recent droughts—certainly in my part of the world—have been very much on committees, families, mental health and the survival of small business, effectively.

Ms Crosthwaite: Yes.

Senator MIRABELLA: Are those things areas of study for these hubs, or are they just sticking to the nuts and bolts of dirt, seed and water?

Ms Crosthwaite: The Future Drought Fund as a whole has social resilience as one of the pillars of spending, and certainly a number of the programs that I've already talked about have building social and community resilience as one of their goals. The hubs themselves, whilst they are in their very early days, are turning their minds to how they might contribute to that part of the resilience of their regions. They are set up with an adoption, development and extension function, which is really a bit more about the agricultural science, but one could hypothesise that what the hubs are doing by bringing people together within a region would have an impact on the social resilience of that region as well. So, whilst it's not an explicit function of the hubs, many are looking at that as part of their reason for existing. It's also the way that they're able to get some of their partners to the table—promoting that side of what they're able to offer.

Senator MIRABELLA: This goes back to my earlier concern: surely, if any of these hubs are involved in longitudinal studies—for example, rural mental health and so on—there is a real likelihood that these will be rendered incomplete should these centres—

Mr Metcalfe: Yes. One other aspect, of course—given that Australia is an entire continent—is that it's quite likely that we'll have drought in one area and not in other areas. In fact, we're seeing that to a certain extent at the moment. Therefore, the lessons and experience from a particular hub are transferable and can be shared. Of course, this is building on decades of federal government programs and policies on drought—everything from farm management deposit schemes to the rural financial counselling. In fact, you could argue that the Murray-Darling irrigation system is part of the response to the inevitability of drought in our climate.

The drought hubs don't seek to be a complete answer to preparedness for the drought. That's what the Future Drought Fund, together with those many other programs, is about. But I think they will play a very important role in linking the science and the research that already exists and is continuing, at a place based level, with farmers and also in providing those networks, because, as we said earlier, it's not just about farming methods; it's about business methods and preparedness, and it's about communities and personal resilience. So, across the breadth of the programs that Ms Crosthwaite's been describing, those are the areas that we're trying to focus on. But the hubs are certainly a key component of the whole.

Senator MIRABELLA: Yes. The background of my questions is concern that for some people, if it's all about metrics, the bean counters at some point will say, 'Well, let's just chop that,' because there's nothing to report.

Does the department have an accepted definition of drought?

Ms Crosthwaite: The Commonwealth has not taken a position that there is a particular definition. However, we do tend to refer to things like the bottom 15 per cent and rainfall deficiency on previous periods. So there are a number of different metrics that you can rely upon.

Senator MIRABELLA: Do you still rely on the states? It's actually up to the states to declare particular regions in drought?

Ms Crosthwaite: Correct.

Senator MIRABELLA: Broadly—I'm not asking for specifics here—in the period leading up to 2020, a lot of the country was in drought, and that ultimately culminated in Black Summer. So much of eastern Australia was so dry. What was of concern to me was that in Victoria over that time, 2018 and 2019, a certain amount of work being done by the Victorian government came under the heading of 'unseasonal dry conditions'. Is that nomenclature new to you? Have you heard it before? Is this something new?

Ms Crosthwaite: I've heard that term used to describe conditions experienced in a particular region.

Senator MIRABELLA: Is that the same as drought?

Ms Crosthwaite: It probably is. From our perspective, there aren't any drought support programs that are run by the Commonwealth that rely on a definition, if that makes sense—a threshold or a trigger. It's not something that we have as part of our policy suite in terms of things that we—

Senator MIRABELLA: I flag that it might be an issue. As a farmer I wouldn't like to be relying on a declaration of unseasonal dry conditions. If that nomenclature doesn't mesh with broader definitions of what constitutes drought, it's a euphemism—a convenient one.

Ms Crosthwaite: Each of the jurisdictions does have its own way of defining when a region is or is not in drought. Some jurisdictions don't have any drought declarations—Western Australia, for example. Other jurisdictions have different definitions that they rely on. Unseasonably dry conditions is one way of saying that it's drier than expected therefore—

Senator MIRABELLA: It's unseasonal?

Ms Crosthwaite: Yes. The other point I would make is that when we're talking about drought dryness in and of itself is not necessarily a problem.

Senator MIRABELLA: I know, and there's a fun element to this but there's also a serious element. I've had enough experience asking those questions and having people avoid answering them. Maybe something the Commonwealth should be looking at is a glossary.

CHAIR: That takes us up to the break and to the end of outcome 3. Those department officials, please go with our thanks, and we will return after morning tea with outcome 4.

Proceedings suspended from 11:07 to 11:27

CHAIR: Welcome back. Just as we went to the break, we identified that there were some responses to come to the committee, so, if you would like to, take us away.

Ms Deininger: Thank you, Chair. Senator McCarthy was asking about the overall figures for production, so I just wanted to provide that in a consolidated way. The forecast for the 2022-23 financial year for the agriculture sector is \$76 billion, and the forecast for that year, 2022-23, for agriculture, fisheries and forests is \$82 billion. They both slightly come down in the next financial year, 2023-24. Agriculture is forecast to be \$74 billion; and agriculture, fisheries and forestry, \$80 billion. As we discussed, that reflects changes in pricing and production. So I just wanted to put that on the record in a consulted way.

CHAIR: Thank you. Was there anything else?

Mr Tinning: Senator Sheldon asked about the breakdown of the international finance assistance mechanism budget by financial year. In 2019-20, the budget was \$55 million. For 2020-21, it was \$523.8 million and for 2021-22 it was \$445.2 million.

CHAIR: Terrific. Thank you very much.

Mr Metcalfe: Finally, we took some questions from Senator McCarthy about Indigenous employment, and I'm told that we should have those answers ready before the lunch break.

CHAIR: That's terrific. Senator McCarthy will be pleased. Mr Metcalfe, I wonder if we could take the opportunity to hear from the chief vet about his knowledge of what's currently happening with lumpy skin in Indonesia.

Mr Metcalfe: Yes, Dr Schipp is here, so I'll Mr Tongue and Dr Schipp to come forward. Dr Schipp, the Chief Veterinary Officer, was in Indonesia last week, so he might be able to provide a short briefing for you.

CHAIR: Terrific. It was certainly a major topic of conversation in the Northern Territory at the Cattlemen's Association conference, and it would be great to get an update.

Dr Schipp: I had the opportunity to visit Indonesia and Singapore last week. Both countries have recently declared that they are infected with lumpy skin disease. In Indonesia they have commenced a vaccination program. Australia purchased the vaccine for them to use in their immediate response. That has been deployed in the affected province of Riau. I was able to meet with the disease control centre in Riau, with the Indonesian officials in Jakarta who are leading the response, and with FAO and others that are also contributing to that response.

My assessment is that they are unlikely to be able to meet the objectives of the vaccination campaign, which is to contain the disease to Riau province. It is likely to spread to other provinces in Sumatra province. That is of concern to us from a couple of perspectives. Firstly, Australian cattle that travel to Indonesia largely go to Lampung province, where we have some very large feedlots. There are also some dairy enterprises in north Sumatra. Those enterprises are at risk, and they are not yet able to access vaccines because the vaccine has only been approved for emergency use in the affected provinces, and they're in adjoining provinces.

The second concern is that, if Indonesia is not successful in containing lumpy skin disease to that province or indeed to Sumatra, with time we might expect it to spread through the Indonesian archipelago to Timor and to Papua, which would put it in very close proximity to Australia—and the possibility of it being carried into Australia through biting insects. Lumpy skin disease is a serious pox disease of cattle and buffalo that is transmitted by any biting insects, such as mosquitoes or biting flies or perhaps ticks.

That was the visit to Indonesia. I also visited Singapore. They have two dairy farms in Singapore, each with about 50 animals. So they are quite small concerns. They are up against the Malaysian border, within one kilometre of Malaysia. One of those has come down with lumpy skin disease and I was able to visit that farm and see the disease and the cattle that are recovering from that infection. Singapore is not a big livestock producer but they are an important partner in the region, and I was able to have day-long discussions with counterparts there on their approach to combatting lumpy skin disease and indeed a range of diseases across the region.

CHAIR: In Singapore did they use the vaccination once they had identified that they had an outbreak? Was that successful?

Dr Schipp: They have not yet used the vaccine. Like Australia, Indonesia and Singapore—all three countries—have not approved the vaccine. So they are going through the emergency permit process, just as Indonesia did a couple of weeks beforehand. Australia is in the same position. The vaccine is a live vaccine, so animals that are vaccinated cannot be distinguished from those that are infected. There are concerns about the quality of a number of the vaccines. Even those that are coming out of recognised laboratories are in some cases found to be contaminated or of impure strains. So some work needs to be done after permitting imported vaccine around ensuring its purity and then controlling its use.

CHAIR: I don't want to ask you a policy question, but is the next step that Australia consider manufacturing the vaccine in Australia? I appreciate that that's currently not Australia's position. But is that a solution? If we had our own controls over the manufacture?

Dr Schipp: We have a number of constraints in Australia. The virus is not able to be imported into Australia. So the high security laboratory that we have in Geelong, which was built for the purposes of working with diseases such as lumpy skin disease, does not have permission to work with lumpy skin disease. So that is curtailing our ability to run diagnostics. Singapore, for example, asked about sending the virus to us to undertake genomic sequencing and comparison with known strains of lumpy skin disease in the region. But they're not able to do that because we don't have approval to bring the virus into the laboratory.

Secondly, it would be beneficial to have the vaccine in Australia before we need to use it so that we can undertake that analysis about its purity and its effectiveness before we need to deploy it, rather than have the disease and not be able to immediately deploy the vaccine. So my advice would be that we open up permission for ACDP, the Australian Centre for Disease Preparedness, to work with the virus, to allow diagnostics and development of alternate vaccines, and that we also import the live vaccine so that we can examine it and assure ourselves that it's safe before we need to deploy in the event that the disease comes into Australia.

Mr Tongue: I was also at the Cattlemen's Conference in the Northern Territory. We've been having extensive conversations with the cattle council, cattlemen, the NFF, and others, about the question of bringing the live virus to Australia to do exactly what Dr Schipp is talking about. There seems to be a deal of support for a position that says—once in 2006 when the virus started moving out of Africa it was a long way away and it didn't feel so pressured; we're in a different risk situation now—we believe we need to take charge of our future here.

CHAIR: I'll just ask one more question before I pass to colleagues. You said that the cattle in Singapore were recovering. Is this a disease that cattle do recover from? I understand some can die, but what's the impact?

Dr Schipp: The cattle in Singapore were in a dairy so they were quite able to be individually managed, supported. The cattle that were badly affected in Indonesia were animals that were poor or weak initially. Once they go down they need to be supported, so some animals were not able to walk and some were not able to feed. In a smallholder situation that's manageable. In an Australian extensive northern cattle industry context, that's completely untenable. So we would expect that the consequences for the Australian extensive cattle industry would be quite severe.

CHAIR: Are you thinking the sort of scale of the BTEC program? Terrifying. Senator Mirabella.

Senator MIRABELLA: In areas where this disease has existed for some time, such as Africa, is there any evidence of livestock successfully developing resistance to this?

Dr Schipp: Yes. Certainly, with most pox viruses, once you've had one exposure, then you've got immunity, essentially for life—like chicken pox or other pox type viruses. A strong immunity is developed either through vaccination or through exposure. The difficulty, as I said, that we have seen with some of the vaccines is that they are reverting to a highly virulent strain rather than being a very attenuated strain. We want a vaccine that's going to offer immunity without disease and in some cases the vaccine is not doing that; it's reverting to a wild type which is causing severe disease.

Senator MIRABELLA: Is that something that we should be looking at—breeding stock that have resistance to the strain or are immune?

Dr Schipp: Certain breeds of cattle are known to be more immune. The northern cattle breeds are more resistant, more immune. They will still become infected but they won't suffer to the same extent as southern cattle. The Bos taurus type cattle that we've got in southern Australia—Angus, Hereford and the like, dairy cattle—are more severely affected than the Bos indicus cattle that we've got in northern Australia.

Senator MIRABELLA: Is it the case that we're talking 'when' not 'if'?

Dr Schipp: I think it's a case of 'when' it reaches Timor and Papua—and all of the efforts that we can make to put in place to try and slow that arrival on our doorstep. To that end, we're focusing efforts on providing vaccine support, biosecurity support, technical support and financial support to the Indonesian authorities, both in their interest and in our interest to try and keep it away from our doorstep for as long as possible.

Mr Tongue: We'll be having further conversations with the northern cattle industry. They've been very forthcoming in their willingness to work with us in Indonesia and have made numerous offers of support. Following Dr Schipp's visit, we think there are practical things that we can do to work with the northern cattle industry to support the Indonesian government and the provincial government. We're having those conversations, starting this week, immediately on Dr Schipp's return. We'll continue to work with our colleagues in our international area of the department and also the Department of Foreign Affairs and Trade to do whatever we can to support our Indonesian colleagues.

Senator MIRABELLA: Within the livestock industry in Australia, obviously, the question for livestock producers and exporters is: what effect will it have when this disease gets here, particularly, in light of what you've just said, for southern producers? In terms of cattle that are either immunised or infected and recover, what are the practical and marketing implications for beef?

Dr Schipp: In terms of the disease impact, there's a loss of productivity. For beef cattle, because they're losing so much protein through the open wounds in their hides, that means a big production loss—something like a 30 per cent production loss on those animals—and then they need to recover and get back on their feet and regain that weight. For dairy cattle, that is quite a severe impact. They lose milk production capacity very quickly.

The more severe impacts are in terms of trade. We would immediately lose our health status and not be able to export live cattle to all destinations until we had renegotiated trade requirements. Dairy exports would be similarly impacted as well as meat by-product exports. Some of those are obvious now because the accompanying health certification identifies lumpy skin disease as a disease to which we must attest. Others are not obvious as yet because countries will look at Australia and say: 'Your health status has changed significantly. We didn't

include lumpy skin disease as a disease of concern, but it is now a disease of concern, so we'll suspend trade until we can renegotiate.' And that could take some time.

Senator MIRABELLA: Does it affect hides permanently?

Dr Schipp: Yes, the value of the hide is significantly affected because it punches big holes through the full thickness of the hide.

Senator MIRABELLA: In practical terms, what does it do to meat quality?

Dr Schipp: In terms of meat quality, very little, except that, if you have an animal that's fevered and not eating, then the quality of the meat of the infected animal is impacted and is probably not suitable for human consumption. Once the animal's recovered, then it's possible to regain that loss.

Senator MIRABELLA: So an animal that has recovered long term—

Dr Schipp: Six months down the track, it would be suitable.

Senator MIRABELLA: I asked this last week, but you might be in a better position to answer: do we have any data on the survivability or rates of infection in colder climates? The reason I'm asking is: are we likely to see this slow as it moves south in Australia?

Dr Schipp: Yes, because it's largely driven by biting insects and biting insects are less common in southern Australia. That's the main determinant. But, obviously, in warmer climates, you get more biting insects, more infection and more secondary infection as a result of those skin wounds.

Senator MIRABELLA: Does that mean that it is less likely to cross to Tasmania?

Dr Schipp: We imagine that, if the disease were to enter northern Australia, we would be able to declare Tasmania as a free zone for quite some time, yes.

Senator MIRABELLA: If it does spread throughout most of the continent, what are the implications for New Zealand?

Dr Schipp: We haven't done an assessment on behalf of New Zealand, but I think their own assessment is that they have very few of the biting insects of concern that afflict Australia, particularly northern Australia, so they are feeling far more comfortable about this than we are.

Senator MIRABELLA: This is my last question, and your answer might be an educated guess: what time frame are we looking at?

Dr Schipp: We anticipate that it would spread across the island of Sumatra in the next six months, and then in the following six months it would spread through the archipelago if the current course is continuously followed. What we're hoping to do is to slow that spread through our interventions, with Indonesian support.

CHAIR: Senator Davey.

Senator DAVEY: I've just got some questions while you're in the hot seat, Dr Schipp, all on very similar grounds. We have seen with Japanese encephalitis, or encephalitis—I'm never quite sure which way you're meant to pronounce it—

Dr Schipp: Both are okay, Senator.

Senator DAVEY: Good. The original expectation was that it would also enter in the north and then progress south; but it seems to have skipped the north and set up in the south. For a lot of these diseases, Australia has a range of sentinel herds. For the benefit of people listening, sentinel herds are herds that we monitor to monitor for these diseases. Where are they located, predominantly?

Dr Schipp: Predominantly along the northern coast.

Senator DAVEY: In the case of Japanese encephalitis, the sentinel herds were not impacted. By the time we discovered it was within our borders, it was within our borders.

Dr Schipp: Japanese encephalitis doesn't affect cattle.

Senator DAVEY: No, pigs.

Dr Schipp: Yes, and we don't have sentinel pig herds in northern Australia.

Senator DAVEY: Right. Do we have any sentinel pig herds?

Dr Schipp: No. We do have sentinel chickens, and they're being used by our colleagues in the health departments to monitor for a range of vector-borne viruses that affect people and are carried by birds such as waterbirds and poultry

Mr Metcalfe: I think Mr Tongue was going to say, though, that we do testing or sampling on feral pigs in the north.

Mr Tongue: Yes.

Senator DAVEY: Lumpy skin disease does not affect humans, does it?

Dr Schipp: No.

Senator DAVEY: So it's not like any of the encephalitis viruses.

Dr Schipp: No.

Senator DAVEY: That will reassure people. I think that's all I have.

CHAIR: I've just got a last question: what would it take for Australia to be able to produce mRNA vaccinations in Australia?

Dr Schipp: My understanding is that we have very little sovereign capability to manufacture mRNA vaccines. From my perspective, it would be something that would be highly desirable. An mRNA vaccine doesn't require use of live virus and would be a safe alternative to importing live viruses. It would be something that would also allow us to distinguish between an animal that's been infected and an animal that's been vaccinated, so we're hoping that that capability can be developed and taken up.

Mr Tongue: I would note that there are conversations happening at a state government level, and also with the cattle industry, about utilising mRNA capability elsewhere, particularly in Canada, and there's active investigation underway. So we're looking at all the possible candidates as promptly as we can to see what directions we can pursue.

CHAIR: Thank you. I believe Senator McCarthy has questions for you too, Dr Schipp.

Senator McCARTHY: It's been good to listen to the previous questions on this issue, because it is a real worry for our country but also for our cattle industry here in the north. I'm just taking note of an ABC News story here, Dr Schipp, which I want to quote to you because I need to understand what you've said. I'll read it out to you. In relation to lumpy skin disease, it quotes you as saying:

But if this was to occur in Australia it would be much more challenging, because the ability to nurse individual animals simply doesn't exist ...

So what do we need to do in that instance, should it come here? Is there a capability or is there something we should be doing to prepare for that?

Dr Schipp: My comments were in relation to the extensive nature of cattle raising in northern Australia and the presence of a number of feral buffalo and cattle in northern Australia, so the opportunities for regular interaction with those cattle—to be able to see them up close and to see whether they have lumps on their hide—are not frequent. It's very different to being in a dairy where you're seeing the same animal twice a day and can very quickly pick up an infected animal, which was the case in Singapore and in Indonesia where animals are held in backyards and smallholdings and are getting daily interaction with their owners.

Senator McCARTHY: Following on from that, Dr Schipp, is it fair to say that our dairy cattle industry would be much more capable of dealing with this at the moment, should the worst-case scenario happen, as opposed to the Brahmans up north and all of that?

Dr Schipp: Yes. Essentially a dairy is very much like a sentinel herd in that it's a population of cattle that are kept together and regularly examined. And, being a static population of cattle, it's also likely to attract biting insects and, so, act as an early warning system.

Mr Tongue: And, as we discussed last week, there is the \$60 million that the government has made available to increase funding to the northern Australia quarantine arrangements. Part of that money is about increasing our surveillance effort across northern Australia, working with the three jurisdictions—the three states and territories which I'll call the 'combat jurisdictions'—because, if the disease were to come to Australia, we'd need to work with the jurisdictions and the industry in northern Australia to lift our ability to provide surveillance. And we're discussing that with industry and with the states and territories as we speak. But it's also to improve our preparedness, to exercise and to ensure that we can respond really quickly should we identify the disease, and also improve our diagnostics so that there aren't big delays so that, if we identify the disease, we can identify it quickly, because speed to identify and diagnose is our friend. The longer we take the more likely the disease is to spread across northern Australia.

Senator McCARTHY: Thanks, Mr Tongue. I know we went through that last week, but we didn't have Dr Schipp, so I'm really keen to touch base on a few of his observations. I'll go to another quote, Dr Schipp, that you provided in the ABC article:

We need to be able to work with the virus, firstly so we can diagnose it should it arrive in Australia, and secondly so we can work on an effective vaccine rather than a live vaccine.

Can you explain this one to me?

Dr Schipp: Yes. In terms of diagnostics, if we were to suspect lumpy skin disease, we would not be able to send the sample to our own laboratory here in Australia. We would be needing to send it to the UK for that diagnostic confirmation. And, obviously, that would present an unacceptable delay to get that diagnosis, in terms of—

Senator McCARTHY: Where in the UK would it go?

Dr Schipp: To their high security laboratory in Pirbright. And then, in terms of having the virus here, as I said it would be desirable for us to be able to develop an alternative vaccine—one that is not a live vaccine, so that we would be able to distinguish between infected and vaccinated animals—and also to bring in the vaccine and work with the existing vaccines to ensure that they're pure and suitable for use in Australia.

Senator McCARTHY: You said earlier in your response to the other senators that it was a case of sovereignty issues for us around not being able to produce that vaccine?

Dr Schipp: Yes, and that's the case for almost all vaccines in Australia. We are reliant on importing them from other countries. Most other countries don't have the biosecurity requirements that Australia has around imported vaccines. Most other countries don't have the priorities that we have for diseases of interest and significance to us. It is often difficult to get the attention of vaccine manufacturers and big pharmaceutical companies, because Australia is a relatively small market with very high entry requirements. As a consequence, we get very low priority in terms of vaccine development.

Senator McCARTHY: What would be the next steps for our country to be able to produce the vaccine? You spoke a bit about the Geelong lab. What would need to happen?

Dr Schipp: As I said earlier, the laboratory at Geelong was built to handle this virus and other viruses. But it was excluded at the time of commissioning that laboratory. So I would be keen to explore the opportunity or the need to bring that vaccine into the laboratory and reverse the earlier decision so that we can work with that virus safely in the high-security laboratory at Geelong.

Senator McCARTHY: Why was it excluded?

Dr Schipp: At the time of commissioning the laboratory back in the eighties, foot and mouth disease and lumpy skin disease were the two viruses that were excluded from the initial approval, given the concerns of the livestock industry that there may be an escape from the high-security laboratory. In the 40 years of operation of that laboratory, there has been no escape causing disease and, therefore, I think we now have sufficient evidence to address that concern.

Senator McCARTHY: Have you been up here in the Northern Territory since you've come back from Singapore?

Dr Schipp: No. I only got back on the weekend.

Senator McCARTHY: Will you be travelling up this way? Obviously, we're very keen to know some more details on this and I'm sure—

Dr Schipp: I'm very keen to do so. But in the interim I've organised a number of briefings with a range of industry groups that have asked for that.

Mr Tongue: Senator, I think we have 900 people enrolled for a webinar on lumpy skin disease, which we'll hold shortly.

Senator McCARTHY: Is that here in the Northern Territory or across Australia?

Mr Tongue: It's a nationwide webinar.

Senator McCARTHY: Thank you very much. While we've got the chief officer here, I wanted to ask about ehrlichiosis.

Dr Schipp: Yes.

Senator McCARTHY: Can you update us on where things are at with that? I know here in the Northern Territory that the government has provided or is providing \$150,000 for a pilot program to look into that. But I

am really interested to know where we are in terms of the disease in dogs in Australia, especially here in the north.

Dr Schipp: The disease situation continues to unfold. As we anticipated, the disease is widespread in rural and remote northern Australia. The funds that you've identified were also provided to other jurisdictions to increase awareness and to conduct trials in some of those regional communities on effective approaches to reduce tick numbers and infection in dogs in those communities.

Senator McCARTHY: Do you know which communities they are?

Dr Schipp: I don't have those. We'd need to take that on notice.

Senator McCARTHY: Where the trials—

Dr Schipp: As I said, we've given the money to state and territory governments and it's up to them to determine which communities they work with.

Senator McCARTHY: I think in the last estimates it was mentioned that the northern part of South Australia, the Anangu Pitjantjatjara lands, was a really strong area as well.

Dr Schipp: That's right.

Senator McCARTHY: I'm just wondering whether it spread anywhere beyond those areas or are we still looking in the same locations as we have for the last three or four months.

Dr Schipp: As you've identified, it is in northern South Australia. We've had confirmations also in Queensland and New South Wales, in addition to Western Australia and the Northern Territory.

Senator McCARTHY: Is that in regional areas?

Dr Schipp: Yes. We've had detections in Mount Isa and we've also had detections in western New South Wales.

Senator McCARTHY: What about detections for people? Have there been any concerns or incidents, since we last spoke here at estimates, around infection of humans?

Dr Schipp: No. No infection in humans has been identified in Australia.

Senator McCARTHY: Thank you very much.

CHAIR: Senator Faruqi.

Senator FARUQI: I have some questions for the biosecurity division on horse traceability. Is this the right time to ask?

CHAIR: Yes.

Senator FARUQI: I would like a quick update on the commitment of the \$1.1 million that we spoke about last time for the horse traceability register from the federal government. Has any of that money been allocated yet to specific projects or tasks? I remember that the department mentioned last time that you were allocating \$300,000 for 2022-23. I'm just wondering if we know any more on how that has been allocated.

Ms Laduzko: Yes, pleasingly, we have just made a formal offer through the normal funding arrangements to Victoria, to countersign, which would allocate money to Victoria in their role as leading national efforts on horse traceability. That funding would be provided to the next stage of stakeholder engagement on a proposed set of business rules for what horse traceability might look like going forward potentially. That was part of the communicate you would have seen that came out from the national horse traceability working group very recently. Further funding has been offered to Victoria to support some next stage efforts to properly work through the costs and benefits of impacts of actually evolving a model that might be based on a national horse database with mandatory microchipping to make sure all stakeholders and all potential system participants are well informed on what the implications of that might be. That has now been formally offered and will be a matter for Victoria to countersign.

Senator FARUQI: That's the \$300,000?

Ms Laduzko: Yes.

Senator FARUQI: That's where that's gone?

Ms Laduzko: Yes.

Senator FARUQI: For the consultation and further costs and benefits of—

Ms Laduzko: Yes. Effectively.

Senator FARUQI: You mentioned last time that, now the Marsden Jacob report has been provided to the working group, there would be another cycle of consultation on its options. Has that consultation commenced?

Ms Laduzko: It has not yet. Some of the funding we've provided will be used to facilitate that activity. I think Victoria is still going through the process of putting someone on board to support that engagement process.

Senator FARUQI: So the \$300,000—I just want to get this right—is not just for the public consultation for the costs and benefits of the system for individual horses; it is also for the public consultation on the options of the Marsden Jacob report?

Ms Laduzko: That's correct. I think Victoria will probably put out a proposed set of business rules that they've contemplated from the result of the Marsden Jacob report for further comment from stakeholders.

Senator FARUQI: When do you expect the consultation to start?

Ms Laduzko: I would have to take that on notice. Obviously, some of that is a matter for Victoria and their own processes. But we're happy to take it on notice and get you a response.

Senator FARUQI: That would be good. You are providing the money so surely you have oversight on that. Are there plans to open up for submissions and public consultation during that period?

Ms Laduzko: Not further to that which I've set out here so far—not that I'm aware of.

Senator FARUQI: So there's not going to be any more public consultation or opening up of submissions?

Ms Laduzko: Apart from through the process that we're funding and that we've already talked about, which will be—

Senator FARUQI: Yes, that's what I mean.

Ms Laduzko: Yes, sorry. That would be an open consultation process.

Senator FARUQI: Okay. As you said in the most recent communique, the working group refers to a public consultation phase.

Ms Laduzko: Yes.

Senator FARUQI: I just want to make sure that that will be open for submissions from the public.

Ms Laduzko: Yes.

Senator FARUQI: Okay. In an email to me in March, the chair of the working group, Mr McLean, stated that as part of its work the working group is progressing how best to quantify costs of establishing and maintaining a microchip based electronic system and national horse database. Is this the work you were referring to earlier that the \$300,000 would be for?

Ms Laduzko: Yes, that's correct.

Senator FARUQI: From my perspective, that would at the crux of a meaningful national horse traceability system. This is my last question for you: are you still anticipating a midyear report to the agriculture ministers?

Ms Laduzko: I think I would probably seek some advice on that. Obviously, once you start the consultation process, and depending on the feedback and how quickly some of those processes actually get going, it may impact the timing. But that's a pragmatic—

Senator FARUQI: Yes, midyear is almost here, so I am expecting that there will be some delays. If you can't have it now, can you give us, on notice, what the new time line is?

Ms Laduzko: Yes, we will do that.

Senator FARUQI: Thanks very much.

CHAIR: Senator Faruqi, do you want to turn to your other questions before Senator Patrick does the same area?

Senator FARUQI: Yes, sure. My other questions are for the Exports and Veterinary Services Division. I'll start off with some questions about animal welfare in export abattoirs with departmental onsite vets. You've said to me, in the responses that you've provided on notice, that across 2020 and 2021 there was an annual average of 316 incident reports. I just want to be clear that that's a sample of two years. I guess what I'm thinking is that, with 316 annually, that means 632 incident reports in total over the two years. Would I be right in saying that?

CHAIR: Senator Faruqi, you're breaking up a little bit. Were you able to hear the question, Ms Hinder?

Ms Hinder: I think what you're asking for, Senator—and I apologise; you are breaking up a little bit—is the exact numbers for the 2020 year and the 2021 year.

Senator FARUQI: Yes.

Ms Hinder: As we indicated in our response, we gave you the average, which was 316 incident reports. The exact numbers of incidents that were tabled were 353 in 2020 and 278 in 2021.

Senator FARUQI: Thanks. Can you hear me now?

Ms Hinder: Yes.

CHAIR: Mostly, yes.

Senator FARUQI: Thank you. You also said in your responses to those questions on notice that 39 of these incidents were recorded as involving mishandling or cruelty. Could you just explain what 'mishandling or cruelty' ordinarily involves? Give us some examples of that.

Ms Hinder: Senator, I'll just repeat the question back to you to make sure that I've got that correct. I think what you are asking about is that, of those numbers, the department has categorised a number as involving either mishandling or cruelty. Is that correct?

Senator FARUQI: Yes.

Ms Hinder: That is correct. The animal welfare incident reports are produced by departmental on-plant veterinarians and/or establishment workers. When the animals arrive at the abattoir, it is possible that some of them are arriving with things that are unrelated to mishandling or cruelty. That would include animals that are presenting with incidents such as ingrown horns or lameness. They are still identified as an animal welfare incident. The issues that we have identified that relate to mishandling or cruelty range from things like excessive use of a prod on dispatch or on arrival to the export establishment, or where there has been evidence that an animal has been mishandled in offloading. That includes being potentially forcibly pushed down a ramp or injuring itself at point of offloading.

Senator FARUQI: So the other things that you mentioned, like ingrown horns, non-weight-bearing, lameness or wounds—they are not recorded as cruelty?

Ms Hinder: They are actually recorded as an animal welfare incident under our animal welfare incident reporting. But because we work closely with export establishments to minimise the number of animals that are presenting as unfit for slaughter, we categorise them based on the incident that they are being referred to. For instance, ingrown horns, being able to weight bear on all four legs, whether or not there is a cancer or other pathology that should have precluded them from being loaded and transported to the establishment. Where there are issues such as mishandling, then they are categorised as mishandling. When there are issues that are associated with cruelty, they are categorised as cruelty.

Senator FARUQI: That's what I want to make clear. An animal that can't bear its weight, that's not animal cruelty according to how you record it; you would record it as an animal welfare issue. But that would still come under the 353 and 278 incidents that were recorded?

Ms Hinder: That's absolutely correct.

Senator FARUQI: When we last spoke I had just successfully passed an order for documents in the Senate relating to these animal welfare incident reports. The Senate had asked for these documents by 17 February 2022. Can I ask you, where they are?

Senator Duniam: With regard to the production of documents, you would appreciate that it's a sizeable request that has been made. I am advised that the magnitude is something in the order of 7,000 pages. Work is underway to ensure and for the minister to be satisfied that provision of the information won't breach commercial-in-confidence provisions et cetera. Work is under way to comply with your request, but I think you would understand that 7,000 pages is a significant one. That's the information I have to hand.

Senator FARUQI: You have had two months now, minister.

Senator Duniam: It's 7,000 pages.

Senator FARUQI: Yes, but two months is a long time. I want to ask the department, on what date was the department made aware of the Senate order?

Ms Hinder: We were made aware of the order on the day that you moved the motion in the Senate.

Senator FARUQI: Have you provided these documents to the minister, or not yet?

Ms Hinder: We are in the process. We have actually provided documents, and as Minister Duniam has indicated, the minister is considering them.

Senator FARUQI: On what date did the department provide the documents to the minister?

Ms Hinder: I would have to confirm my understanding, but I believe it was on Monday last week.

Senator FARUQI: Minister, can I ask you, what is the delay from your end if the department has provided you with those documents? Why aren't the documents being given to the Senate?

Senator Duniam: As I mentioned before, the intention is to comply with your request. The minister is satisfying himself that in the provision of the 7,000 pages you have requested there will be no commercial-in-confidence provisions et cetera breached. That's a process that his office is going through.

Senator FARUQI: Didn't the department do that?

Senator Duniam: There is an intention to comply with the order of the Senate and your request.

Senator FARUQI: Can I go to the department and ask you, did you look at those documents for breaches of commercial-in-confidence and other issues, or not? Have things been redacted by the department because of the issues the minister raised?

Ms Hinder: The department has considered the documents. It has recommended a range of redactions. Those redactions have been based on engagement with the states and territories, particularly where regulatory or other enforcement action may be under way in the relevant state or territory.

Senator FARUQI: So all that work has already been done, Minister. So why is the department sitting on the documents? I think it is absolutely preposterous. The Senate made an order two months ago. You have had those documents for over one week now and just you don't want to hand them to the Senate? What on earth is going on?

Senator Duniam: Your characterisation is completely wrong, I have already outlined to you that it is 7,000 pages. The minister and his office are doing their bit to ensure that private and commercial-in-confidence information isn't inadvertently provided through this process. The intention is to comply with the order of the Senate and your request.

Senator FARUQI: So when will it be complied with?

Senator Duniam: The minister will provide you with the documentation when the process is concluded. That is all I am able to say at this point. I have no further information to add.

Senator FARUQI: You are waiting for the election to happen, aren't you, so you don't have to provide those documents?

Senator Duniam: Again, that is another incorrect assertion by you, Senator Faruqi.

Senator FARUQI: I have some questions for the live exports branch later on, but I am done for now.

Senator PATRICK: I have some questions in relation to non-livestock exports. With your permission, Chair, I want to table a table from the department's website just so that I can talk to that and not have you blind to what I'm talking about.

CHAIR: Have the department's officials received a copy of this document?

Mr Metcalfe: So that I can check we have the right people here, are there particular commodities you are focusing on?

Senator PATRICK: I have some questions about laboratory animals. Do you have that document, Ms Hutchison?

Ms Hutchison: I do, thank you.

Senator PATRICK: I just want to ask some very basic questions about those documents. Those numbers of laboratory animals, that is actually numbers of animals, it is not a metric like kilograms or—

Ms Hutchison: Laboratory animals could involve a whole range of animals. They could be rodents, fish, insects, insect eggs, mosquito eggs. The numbers could be recorded in slightly different ways depending what the commodity is. You wouldn't be counting insect eggs or numbers of fishlings or things like that. The numbers can mean slightly different things.

Senator PATRICK: If I look across the column, in 2016-17 it was 9,456; in 2020-21 it was 54 million; and in the middle there is 192 million. It just seems a great variety. I am not suggesting there's a scandal here; I just wonder if you could give some detail as to why those numbers vary so much.

Ms Hutchison: The advice I have is that from 2018 there were a significant number of mosquito eggs exported, which would account for a significant change. How exactly they are articulated I would need to get more detail about, but it gives you a sense of why you can get significant jumps in numbers depending on the item that is being exported.

Senator PATRICK: So does the description 'laboratory animal' include any of those other categories that you've got mentioned there, like bird, cat, crustaceans? I'm wondering if there is a distinction—

Mr Metcalfe: If a bird is being exported for laboratory purposes, and so was it counted, is that the question?

Senator PATRICK: Yes, I'm just trying to understand what the numbers actually mean.

Ms Hutchison: What the department does is look at information, whether it's the importing country requirements, or whether the exporter has obtained a specific permit that talks to what the purpose of the export is, and we then make a determination on the purpose of what the export is, to then be able to lay out what the—

Senator PATRICK: Is it fair to say that you have different types of animals down the rows, but this one row is an exception in that it goes to the purpose for which the animal is exported?

Ms Hutchison: As opposed to the species of the animal.

Mr Metcalfe: Directly above 'laboratory animal' you've got 'insect', so I assume that they're insects that are, according to our records, not being exported for laboratory purposes. The insects that are being exported for laboratory purposes are under 'laboratory animals'.

Ms Hutchison: What I will do to make sure that I can be completely accurate in that answer, is go and check. Broadly, that's how we're categorising them. But specifically as to whether there could be duplication if a bird or a fish is used for laboratory rather than some other purpose, I will get some clarification.

Senator PATRICK: Okay. Do you have a number for 2021-22 at all?

Ms Hutchison: Not yet.

Mr Metcalfe: A progress number, or—

Ms Hutchison: An amount to date?

Senator PATRICK: Yes, okay. Do you have that here, or not?

Ms Hutchison: I don't have it here, but I can find whether we can get it.

Mr Metcalfe: Maybe if there's a half-year number or something.

Senator PATRICK: We're eight months into the new financial year, so I thought they may have been collated, but that's okay.

Mr Metcalfe: I want to meet the person who counts mosquito eggs—

Senator PATRICK: I want to know about that too!

Ms Hutchison: I just need to clarify exactly how that is presented to us in the export documentation.

Senator PATRICK: You mentioned some of the species that fit within this category; could you run through them again? You said mosquito eggs—

Ms Hutchison: They could include things like rodents, fish, insects, insect eggs, or any animal being exported for research purposes.

Senator PATRICK: Could that include a dog, or a cat, or any type of animal?

Ms Hutchison: If it was for research purposes, as I understand it. But I would like to go away and be very certain in that answer to you.

Senator PATRICK: On notice, and I'll just stick to 2020 to 2021, can you provide me with a breakdown of the species within that 54 million and also the destination of those species?

Mr Metcalfe: We'll take that on notice, Senator.

Senator PATRICK: Thank you. In relation to these sorts of exports, are they tied to government research facilities, or are they tied to companies generally? Is it a mix of both?

Ms Hutchison: I have not got that information in front of me. I will certainly add that to the answer.

Senator PATRICK: If you could take on notice: the nature of these exports, whether the export application—I presume—is made by companies, or whether they are made by government institutions, or a combination of both, and some idea of the quantum percentage-wise.

Ms Hutchison: Yes.

Senator PATRICK: Thank you very much.

CHAIR: Senator McCarthy, back to you.

Senator McCARTHY: I have a few questions to the department on biosecurity dogs. I know we talked a little about them last Thursday, but there are just a couple of extra questions I'd like to put to you regarding the cost of the biosecurity dogs. Can you confirm the cost from puppy to retirement?

Mr Hunter: I'm afraid I'll have to take that on notice, or try and chase the answer to that question during the course of today.

Senator McCARTHY: Alright. If you like, Mr Hunter, I will go through a couple of the questions. These are the ones I didn't get to last Thursday. What is the cost of locating the right pup that will then be trained? How many breeders are there that supply puppies for the biosecurity duties? How much does a breeder receive for one puppy? How much does it cost to train completely a biosecurity detecting dog, and what is the ongoing cost to sustain the dog through its duties?

Mr Hunter: I am confident that we have all those figures you refer to. I just do not have them to hand. I will ask my team to see what I can get to you in the background.

Mr Metcalfe: My recollection is that we actually obtain dogs through the Border Force training program, don't we? Some of those costs, I suspect, we will have to ask them about, unless we pay a fee for service or whatever.

Mr Hunter: Correct. Our sourcing program is specifically through Border Force. It does come at a cost, but I don't have that cost to hand.

Senator McCARTHY: Is a dog allocated to one particular biosecurity officer?

Mr Hunter: We have what we call detector dog handlers. Detector dog handlers are first and foremost biosecurity officers, so they are trained as biosecurity officers through the foundations program just like any other biosecurity officer. Then we try to identify biosecurity officers that are interested in being detector dog handlers, and we provide them with additional training on top of that. Is there a one-on-one relationship? Largely yes. But the dogs are trained, as are handlers, to be able to handle than one animal.

Mr Tongue: The handlers are just about the happiest people in the department, Senator.

Senator McCARTHY: I'm sure. How long do biosecurity dogs stay in service for?

Mr Hunter: They will stay in service for as long as the health scenario allows them to. Depending on the breed of the animal—you know that we have gone from beagles to labradors—that versatility does change. These animals are under constant health supervision. I wouldn't be able to put a finger on it but I am happy to get an average for you. I think it would be something in the order of five, six or seven years.

Senator McCARTHY: What happens to the dog after it finishes its service?

Mr Hunter: We work through our handler network and other community networks to identify a really good home for the animals. We're quite successful at doing that.

Mr Tongue: We saw photographic evidence of one dog racing on the beach the other day after it had retired. It had retired well.

Senator McCARTHY: That's my question for the dogs. Can the department provide an update on the national biosecurity strategy?

Mr Metcalfe: We certainly can. As you know, the national biosecurity strategy is something that we are working on with states and territories and with affected industries. Indeed, we have just been through a major public consultation process. It is something that Mr Tongue and I are very focused on because, as we have discussed many times before in this committee, biosecurity has many governments and industries who have a responsibility and a focus on it. Trying to ensure that we are all agreed and heading in the same direction under a national plan is certainly designed to maximise the national effort. I might get Mr Tongue to make some more detailed comments. I will also say with indulgence that we were talking about detector dogs, and I don't know if we've responded to Senator Mirabella's question about the chocolate dog. Mr Hunter, you might be able to fill him in on that detail at some point as well.

Mr Hunter: I have taken that on notice, as you recall, Secretary. I did see Senator Mirabella earlier today. I now have some research under way, you would be happy to know, to make sure that I can inform the Senate in totality before I offer an opinion. They are somewhat of an aberration in our fleet.

Mr Metcalfe: I suspect they're worth more than we can pay for them, actually. I will hand back to Mr Tongue.

Mr Tongue: As the Secretary outlined, we've been through a lengthy consultation process. The National Biosecurity Committee that reports to AGSOC, the committee of senior officials chaired by Mr Metcalfe, has been working with a reference group drawn from the agriculture and environment sectors to steer the development of the draft National Biosecurity Strategy. That draft is pretty close to ready for circulation. Initially we hope we may be able to get to agriculture ministers, who are the authorising body for the development of the strategy. I anticipate that we will shortly be able to circulate the draft. Indeed, Minister Littleproud may choose to

do that soon. We anticipate that the draft strategy will go out and provide a further round of opportunity for comment and engagement with states and territories and industry. Then we hope to land the final strategy as soon as we sensibly can, given where we are in the political cycle.

Mr Metcalfe: I have a hard copy of the consultation draft here with me. If senators want it I could table it and we could provide a link. I'm sure it's on our website or has been otherwise circulated.

Senator McCARTHY: That would be great. How many organisations, individuals and stakeholders in total participated in the consultation draft?

Mr Tongue: I know the number exists but I don't have it in my head. I will try and get back to you in the next hour or so with all the details.

Senator McCARTHY: The draft is ready, so basically it's a case of the Minister determining its release—is that where you're at?

Mr Tongue: It's something that would require ministerial signoff. It's a joint strategy, a national strategy. The Commonwealth has its own strategy; the states and territories have their own strategies. What has been missing is the overarching national picture, and this attempts—I do have that detail for you. We have received 136 submissions from a wide range of organisations on the consultation draft of the strategy.

Senator McCARTHY: How much funding has been allocated to this strategy?

Mr Tongue: I would have to take that on notice. We have been working with PricewaterhouseCoopers to help us conduct the consultation process. To give the final number I would have to take that on notice.

Senator McCARTHY: Thank you, Mr Tongue. I have questions for the Inspector-General of Biosecurity. I don't believe we're yet.

CHAIR: I believe Senator Davey has some biosecurity questions, then Senator Faruqi. Then unless I hear otherwise I believe that that brings us to the end of this outcome.

Senator DAVEY: I want to talk about the biosecurity training centre. It was announced this week that it will be in Wagga Wagga. Can you tell us a bit about the aims of the training centre?

Mr Hunter: As you would imagine, biosecurity, as articulated in the Biosecurity 2030 strategy, is big business for us, as is the training of our 1,200 to 1,500 biosecurity officers on an annual basis. So we have embarked on a program where we have looked at partnering with an institution. We have gone through an open tender process where we identified Charles Sturt University as the partner. We were delighted to be able to sign those contracts last week. Initially the training centre will focus on the training of about 300 officers commencing from 1 July this year. We are moving from contract negotiation into implementation, and indeed I am off to Charles Sturt University in Wagga Wagga next week to meet with them and talk about how we move forward with the implementation. The focus of the centre initially will be on training 300 biosecurity officers, whether they be new recruits or existing officers.

Senator DAVEY: And would that be across the whole gamut of biosecurity roles and protocols, so border security, monitoring and—I don't want to say 'management'—response roles?

Mr Hunter: We have what we call a biosecurity foundations program, which is core training that we provide to every single one of our uniformed biosecurity officers. It can be conducted over the course of quite a period of time or it can be condensed. We're looking to work with the centre on new ways of being able to adapt that. One of the terrific things that the centre being based in Wagga does bring to it is the agriculture experience and the agriculture sciences program that's linked in with Charles Sturt University. We're really looking at how we can actually deploy that so that the biosecurity officer gets a real sense of meaning around agriculture and what biosecurity does in relation to agriculture.

Mr Tongue: Our aspiration is to work with Charles Sturt to grow the offering over time. We were talking about lumpy skin disease earlier. We would like to think we can work with Charles Sturt to create offerings for industry because we regulate every importer to Australia in some way. So the opportunity is there for us to create what we call authorised officer programs so that we can train industry to a higher standard. We would like to work with countries in our near region—the Indo-Pacific region—to create offerings. Sometimes those countries need what we do at the border, they need a dosage of that, but they also need some of what states and territories do in biosecurity, so we're looking to work with our state and territory colleagues to have that offering so that, over time, we can build a more sophisticated approach to biosecurity training. It has always been a bit of a criticism that some of our training might have been a bit light on, so this way we can double down. Our aspiration is to work with our partners, domestically and internationally, to lift the quality of biosecurity so that we can deal with things like Japanese encephalitis or lumpy skin disease or khapra beetle—there's a huge list of them.

Senator DAVEY: Great! So in the initial offering you're hoping to train 300 officers, but the long-term aspiration is that it can then potentially expand, it can become an exchange type hub for international students.

Mr Tongue: Exactly, and the beauty for us, working in a regional location, is we can take people to the locus of why they exist, basically, and engage with people in the local region. Charles Sturt has an offering in Wagga, and also Orange, but it also has centres in metropolitan areas. So we can mix and match and do a bit of it online, but ultimately we can take people to a rural environment. One of the great things about our staff is they know the significance of what they do, they know how important it is. But to be able to take them out to a regional location, to engage with the people they serve—including in the environment, I should add, because Charles Sturt does a lot of work across the environment as well as agriculture—we think that's a way of really building the capability of our staff and offering them all sorts of career options. It's a real investment in our people.

Mr Metcalfe: The concept is a bit like the Australian Defence Force Academy in that we've partnered with a tertiary institution, a training institution. ADFA is in partnership with, from memory, the University of New South Wales. By partnering with Charles Sturt University, we get that academic educational expertise and, as Mr Tongue and Mr Hunter have said, we also get a university that is absolutely located in one of the major agricultural areas—that is, the Riverina. It has a very big vet school; it has extensive connections across agriculture and environment—

Senator DAVEY: I think it has the New South Wales regional drought hub too.

Mr Metcalfe: absolutely—and so you can see these things all coming together. I really have to compliment Mr Hunter, who came up with this whole idea. Rather than having our training in each of our various locations, this will provide clear, common standards across all of our biosecurity intake. It will also provide people the residential opportunity to get to know each other and get to know people from elsewhere over the period of a training course or courses they may have. As with so many things, networks are critical, and so it's not only providing the information, but also the relationships, the networks et cetera.

And then, as Mr Tongue said, over time it could be extended further to possibly include state governments, industry players and overseas partners. Again, something we've seen happen is the value of our networks in the defence world, where officers or trainees from overseas have gone through the ADF and where those relationships have been in place for many years. That's the concept. Mr Hunter and his team have done a great job in not only conceiving the idea, but now, with Charles Sturt University, bringing it to the point where it's about to come into operation. I'd also like to thank the minister, who really has championed this and encouraged us to do what we can to further professionalise our biosecurity training work.

Senator DAVEY: Fantastic. Finally, just on that, you said it was a competitive tender process. How many applications or expressions of interest did you get, and who was responsible for reviewing them and coming up with the final decision?

Mr Hunter: The process was advertised, as all government tenders are, in AusTender. We received two serious tenders. I put together a probity team, an integrity team and an evaluation team in accordance with the government's standards around how we're meant to go about that in a judicious, lawful scenario. One of my senior executives in my division led what I call the evaluation team, and then subsequently took the issue into negotiations, to the point where I concluded that with the signing of a contract.

Senator DAVEY: Fantastic. Thank you.

CHAIR: Thanks, Senator Davey. Now it's Senator Faruqi, I believe.

Senator FARUQI: Thank you, Chair. I have some questions for the live export branch.

Mr Metcalfe: We'll just get the relevant officers to come forward.

Senator FARUQI: Thank you. Could you please advise whether the department has sourced and considered any evidence on the impact of increasing temperatures associated with climate change? What effect will they have on sheep as part of your extended consultation period for the northern summer order?

Ms Hutchison: Sorry, but can I check that you asked if we have sought specific information on climate change and how that might impact on any changes on the Northern Hemisphere summer arrangements?

Senator FARUQI: Yes. You had an extended consultation period for the review of the northern summer order, and I am wondering if you have sourced and considered any evidence that the impact of increasing temperatures associated with climate change will have on sheep?

Ms Hutchison: We have spoken with the Bureau of Meteorology about how that might play out. The information we have from the bureau is taken from information of actual temperatures. It's not averages, it's actual temperatures over the past 40-plus years. It doesn't have predictive information in it. We have talked to them

about the fluctuations in temperature over time, how that impact will be picked up, but these patterns can be long runs. We're comfortable that the information we have been provided by the bureau gives us a good outline of the temperatures that have been experienced in the Middle East over the past 40-plus years.

Senator FARUQI: You are aware that the seven hottest years on record have been in this century—they have happened since 2015—so are you saying to me that these rising temperatures have had no impact on your decision? That is what it sounds like to me. There seems to be a movement in extending the northern summer order.

Mr Metcalfe: What we received from the Bureau of Meteorology towards the end of last year, and which has informed the amendments to the export orders that I signed this morning, is very granular data. They were able to provide us with more specific information across particular areas of the Middle East over time. We obviously rely upon the Bureau of Meteorology for that data. As Ms Hutchison has said, it's not projected forward; it is based on historical data. What I can say, though, is if the data changes, the Bureau of Meteorology will, of course, update their information. So we certainly expect that the underpinning concept of the Northern Hemisphere's summer orders is about the key concept of animal welfare and of temperatures affecting animal welfare. As you will see in the updated order that I signed this morning, we have taken that into account and we will continue to do so in reviews into the future.

Senator FARUQI: In this order that you signed this morning, have you extended the northern summer period?

Ms Hutchison: In the order that was signed this morning, there was a change to the arrangements for the Red Sea, where there are two weeks in shipping to the Red Sea where exports will be permitted, and there were conditions applied to a 10-day period at the end of May. So voyages going to the gulf in the last 10 days of May between 22 and 31 May will now have to have additional conditions applied to that proportion of the voyage that goes to destinations in the Middle East other than the gulf—sorry, other than Kuwait and Oman.

Senator FARUQI: So more than three weeks of the northern period order have been increased now—

Ms Hutchison: No, that's not correct, Senator.

Senator FARUQI: Did you say a week, 10 days?

Mr Hazlehurst: Just for clarity, we haven't completed the review. We are still considering all of the evidence and feedback that we've received. We anticipate the review will be complete by June, but Mr Metcalfe this morning has signed an instrument relating to two changes at the beginning of the Northern Hemisphere summer, one to deal with a period of 10 days, which Ms Hutchison just referred to, for ports in the southern part of the Persian Gulf. The temperatures and the risk of temperatures above our threshold were greater than we'd previously understood, so this is a period in which currently there are no conditions; voyages can occur without conditions.

Senator FARUQI: Is this in May?

Mr Hazlehurst: That's correct. That's the period from 22 May to 31 May, a 10-day period, where additional conditions, which I can go into, if you would like me to, will apply.

Senator FARUQI: If you could provide those on notice, that would be good.

Mr Hazlehurst: Sure, I'm happy to do that. We are also happy to table the instrument and explanatory statement that Mr Metcalfe has signed. And then there is a period of two weeks, which Ms Hutchison referred to, relating to voyages into the Red Sea, where the risk of temperatures being above the threshold—we can go into that as well, but I know you're familiar with it—are lower than we had previously understood, based—

Senator FARUQI: What period is that?

Mr Hazlehurst: That is from 1 to 14 June, or just towards that.

Senator FARUQI: Okay, so the period has been extended; let's be clear about that. The period has been extended and now, basically, you've signed an order for the death warrant of millions of sheep.

CHAIR: Senator Faruqi!

Senator FARUQI: And we know that this has happened before, without even the review being completed.

CHAIR: Senator Faruqi—

Senator FARUQI: It hasn't yet been completed, Chair, I'm sorry. My question is: why has this order been made, when the review hasn't been completed, the report hasn't been published? Why has this order been made?

Mr Metcalfe: Senator, I might respond. Firstly, I categorically reject the assertion that you made. And, indeed, the entire public policy principles that I acted upon as the regulator were to ensure animal welfare and to

avoid some of the issues that we've seen in the past. That's the whole reason for the Northern Hemisphere summer order to be in place. What we have done is used better data that's more granular about the particular temperatures, based on Bureau of Meteorology advice, in particular parts of the Middle East at particular times of the summer—at the beginning of the summer. We thought it was important to make those changes now so that the industry can proceed with confidence as to the regulatory environment. As Mr Hazlehurst indicated, we will now proceed to wrap up all aspects of the review, and there could well be further changes required for the end of this summer. But that's yet to be decided. We did think it was important to bring into effect obvious changes, which in some places lengthen the period, bring it forward earlier, with conditions applicable should there be any voyages and to reduce the period slightly, because that's what the data says.

I would urge you to look at the explanatory statement to the order, which sets out in considerable detail the scientific basis and the evidentiary basis for the reasons that we have come to those particular conclusions in the order. But any assertion that I have signed a death warrant for millions of animals is, frankly, outrageous, and I completely reject it.

Senator FARUQI: Well, millions of animals are going to go into the heat of the summer, which they weren't going into for the last couple of years. So that's pretty obvious.

Mr Metcalfe: That's just not right, Senator. The Northern Hemisphere summer order does prevent any departures for the majority of the summer. We made some minor changes at the beginning based upon much better data that we have now received from the Bureau of Meteorology.

Senator FARUQI: When will the final review and report be published?

Mr Hazlehurst: Senator, as I outlined earlier, we anticipate doing that by June.

Senator FARUQI: My understanding is that any changes, whatever has been signed this morning, require changes to the Export Control Rules, which are a disallowable instrument. Am I correct in saying that?

Ms Hutchison: Yes, Senator.

Senator FARUQI: So the Export Control Rules, as you have just confirmed, are disallowable instruments, and the parliament, theoretically, can disallow changes to these rules, but, as you know, we are about to have an election; we're not going to sit in the Senate before that happens. I guess the upshot for government is that the department, in delaying the consultation while pushing a swift commencement, has given no opportunity to the Senate to disallow those rules when they come into effect. That's an accurate characterisation, isn't it?

Mr Metcalfe: No, it is not the correct characterisation, Senator. The department has been totally agnostic as to the parliamentary sitting timetable. The review was commenced. We discussed it when we were here at estimates some weeks ago. We had the opportunity, having received a very large number of submissions, but many of them campaign submissions, for senior officers, once the border restrictions with Western Australia were lifted, to actually travel to Western Australia and to undertake face-to-face consultations with a range of parties, including the RSPCA, but also pastoral and other interests. I think that significantly improved overall communication and understanding of the review. Since that time, the department have been working hard to eventually prepare the order that I signed this morning, and that's since the reality of timing. The parliamentary timetable and the election timetable are quite irrelevant, frankly, to what's been an orderly public policy process. As with all delegated instruments, the amendments to the rules will be in place unless disallowable.

Senator FARUQI: But they can't be disallowed now, before it happens. In 2018, you may recall that I had a private senator's bill which banned the live export of sheep during the northern summer. It did pass the Senate with majority support, and it is quite conceivable that the same group would have disallowed the changes to the northern summer order. So, from where I sit, it looks a bit dodgy, to be really frank.

Mr Metcalfe: Well, again, I completely—

Senator FARUQI: It looks undemocratic and haphazard, and I [inaudible]

Mr Metcalfe: Senator, I just can't let you reflect upon the professionalism of the department or myself in that way. We are not 'dodgy', to quote you. We have been absolutely professional and scrupulous in undertaking this work. It's not an easy task. It's a task that does require the balancing of various interests. As I said earlier, the public policy principles are very much based upon animal welfare and science based information, not emotion or other aspects that might go into some people's view of public policy formation.

Senator FARUQI: I am afraid to say the interests of the animals always lose out to commercial interests.

CHAIR: Senator Faruqi, I think you have just finished on a statement.

Senator Duniam: An inaccurate one.

CHAIR: I have a couple of question. Senator Canavan's plan was delayed, so I will ask questions for him. He has been asking questions of the department around the assertion that payments were made by Animals Australia to workers on the *Awassi Express*.

Mr Metcalfe: I will just ask the right people to come forward.

CHAIR: Senator Canavan has been asking questions at previous estimates about the assertion that payments were made by Animals Australia to workers on the *Awassi Express* to obtain images. He asked for the departments to investigate that.

Mr Timson: For the purpose of our investigation as to whether there was cash for footage, we can say that the investigation found no evidence of that. It did not proceed through to the Commonwealth DPP.

CHAIR: As a follow-up to that, is there any agreement in writing or otherwise not to disclose information that they have received from Animals Australia on payments that Animals Australia made to workers on the *Awassi Express*?

Mr Timson: There was no agreement. We did ask to withhold information on investigational methodology.

CHAIR: So that withholding of information for that purpose of the investigation, that could not be misconstrued as being an agreement to withhold evidence on footage?

Mr Timson: Absolutely not.

CHAIR: Senator Canavan will be able to look at the *Hansard* and feel assured that you have fully investigated this matter and that there is no evidence of cash for footage?

Mr Timson: The purpose of the investigation was to identify if there was cash for footage. The investigation found no evidence in that regard.

CHAIR: I will pass that on.

Mr Metcalfe: Just to reinforce the professionalism of departmental officers, the officer who has just given that evidence is a former Federal Police officer and a former senior officer in the Department of Home Affairs with an extensive law enforcement background. So I am very satisfied that the work that he is overseeing is in fact quite proper and correct.

CHAIR: Thank you, Mr Metcalfe and thank you, Mr Timson. That brings us to the end of outcome 4.

Mr Metcalfe: We have a couple of comebacks that we could work in whenever it suits the committee, Chair.

CHAIR: Senator McCarthy, we have a couple of responses from the department to deal with, so we'll do that straightaway, and then we'll go to the inspector-general after lunch.

Mr Metcalfe: Thanks. I'll ask Mr Hunter, firstly, and then Mrs Blackwell.

Mr Hunter: I took a couple of questions on notice earlier in relation to detector dogs. I'd like to confirm that the average cost of us procuring the detector dogs from the Border Force breeding program is approximately \$5,000, and that the animals' health and performance lasts for about eight or nine years.

Mrs Blackwell: I took a couple of questions on notice as well. One was in relation to the location of our Indigenous employees across the department and, in particular, how many were within the ACT. We have 54.45 per cent of our Indigenous workforce in the ACT. That's of 332 total Indigenous employees as at 31 January. I also confirm that we have 24 staff in our Indian Ocean territories. Two are on Pulu Keeling Island and 22 are on Christmas Island. The department has 57 rangers, as at 31 January, across the country and some of our islands. There was another question that we received about the change in our staff location profile in the last 12 months. We've had a 9.5 per cent increase in employees in the ACT, a 6.19 per cent increase in major cities outside of Canberra and a slight reduction of seven per cent in remote and regional locations.

Mr Metcalfe: Chair and Senator McCarthy, on Indigenous employment, we've recently formed the view that, for Parks Australia, it's important that we have a senior executive service officer based permanently in the Northern Territory, given that our two major terrestrial parks are in the Northern Territory: Kakadu and Uluru-Kata Tjuta. That has been reserved for an Indigenous Australian. That's an affirmative action position, and we are now undertaking a search through a search provider for a suitable candidate. It's something I'm delighted about. Given the extraordinary significance of the joint management of the parks with the traditional owners, to have a senior Indigenous staff member responsible for that relationship is something that we're really looking forward to.

CHAIR: That's terrific. Thank you, Mr Metcalfe. Mr Timson, I want to clarify my last question. It wasn't just cash for footage; it was any payments at all.

Mr Timson: The purpose of the investigation was to identify if cash was made for footage for the investigation. We didn't look at any other elements of that. So, if that was identified, we don't go down that path.

CHAIR: There is a belief that varies—

Mr Timson: It wasn't subject to our investigation because it would not lead to a prosecution, so we didn't look at if anything happened later.

CHAIR: There is a belief within the industry that there were payments made by Animals Australia to lead to the disruption of the live export industry. The cash for footage was the obvious element, but I want to make sure that I'm being perfectly clear that we are not allowing any other payments from Animals Australia to employees or to people working on the *Awassi Express* and that we are not missing this element that there could have been any payments made for the disruption of the trade, not necessarily just for footage of animals.

Mr Timson: The purpose of our investigation, as I said earlier, was to see if there was that cash paid to provide that footage, and we didn't find any evidence.

CHAIR: Alright. No doubt this will continue. Thank you, Mr Timson. Thank you to the department. That brings us to the end of outcome 4. We're now ready for the Inspector-General of Biosecurity.

Inspector-General of Biosecurity

[13:05]

CHAIR: Senator McCarthy, please start your questions.

Senator McCARTHY: Thank you, Mr Delane. Since the previous round of estimates, the government has announced the appointment of Dr Lloyd Klumpp as the next Inspector-General for Biosecurity. Are you able to detail for the committee the process the government went through in order to appoint Dr Klumpp?

Mr Delane: I think I can do that; I was a member of the selection panel. You would have to check with the department on the specific details of dates et cetera, but I know there was an advertisement placed in January, and there was a subsequent advertisement, I think it was in early February, to attract the best possible field of candidates. There was a selection panel chaired by a senior member of the department, with me and a number of eminent industry people and the Australian Public Sector Commission participating, that worked through all applications and made a recommendation to the minister as is required, and that appointment was subsequently made. I don't know anything—

Senator McCARTHY: How many candidates were there?

Mr Metcalfe: Can I just jump in? Sorry, Rob—

Mr Delane: I'm not at liberty to comment—

Mr Metcalfe: I was just going to jump in. Senator, the department was actually responsible for the management of the process. Mr Hazlehurst was the deputy secretary who ran it, so it may well be that questions on that issue are more appropriately handled by the department rather than the current inspector-general, who was part of the process but didn't run the process so to speak.

CHAIR: Certainly. Thank you, Mr Metcalfe.

Senator McCARTHY: Is he there?

Mr Metcalfe: Yes. We can bring him back to the table if you'd like.

Senator McCARTHY: A bit later: I'll keep going with Mr Delane while I have him. This morning you would have perhaps heard some of the evidence, Mr Delane, in relation to some of the biosecurity issues like lumpy skin disease and ehrlichiosis, and one of the things that Dr Schipp talked about was the issue around vaccines. I'm wondering whether it's something that you, as Inspector-General, have had to work on. I know you've worked on numerous reports. I don't think you've worked on one in regard to lumpy skin disease, so I'm interested to know, in the time frame that you had left, if this is an area that you are looking into.

Mr Delane: I haven't looked at those diseases. The inspector-general works through a series of reviews. In my current review program, I've completed six reviews. I've got two currently underway. One into the plant disease xylella, and one into the application of detector dogs and x-rays. I hadn't intended to look at what is really a live issue—a forward-looking rather than a past-looking review. The sorts of issues that I heard Dr Schipp raise are challenging, but decisions were made quite some time ago about what diseases would be allowed to come into Australia for the facility at Geelong.

There are similar issues for plant diseases, and that's a matter I've looked at in relation to xylella, an exotic disease of Australia. Should we have in Australia appropriate samples of that disease for diagnostic purposes et cetera, not research purposes?

I haven't got plans to look at that for animal diseases. I think that would be quite a detailed piece of work, and I don't think I would have time to be able to do that. If I were requested to do so by the minister or the secretary, as

is provided for in legislation, then I would seek to do that—or it may be a review that Dr Klumpp picks up early in his term. That's up to him at the time.

Senator McCARTHY: Is that the same with ehrlichiosis, as well?

Mr Delane: Yes. I think that's the same for all of the animal diseases. They're detailed, technical areas which would require quite some work. I wouldn't be able to complete those before the end of my term on the 24th. Dr Klumpp is a veterinarian by trade, and he may well seek to do that. The first review I did on request was to look at African swine fever preparedness, over two years ago.

Senator McCARTHY: Have there been ongoing concerns that the federal government has consistently not addressed funding for Australia's biosecurity system sufficiently? I did note a tweet this morning, in relation to the minister's speech to the NFF, which said that you've told him that you believe funding for biosecurity to be adequate. What informs your view that the funding level is adequate?

Mr Delane: I haven't seen that tweet, and I'm not going to comment on government policy matters. I have made a number of comments that the recent funding is a very welcome boost. It enables the department to address a significant number of pretty serious recommendations that I've made over my term, and that's as far as I'm going to go as inspector-general; otherwise I'd be commenting on government policy.

In my term, I've made 122 recommendations. I expect that, by the time I finish, it will be close to 150. The Director of Biosecurity, the secretary, has agreed to 103 of them—114 if you include those agreed to in principle—so there's a very substantial body of work there. Funding decisions do enable the department to address more quickly or more comprehensively, or de novo, quite a few of those recommendations, and, as inspector-general, I need to be pleased about that.

Senator McCARTHY: I'm just going to go back to lumpy skin disease. You did say you haven't had much to do with it, but I have noted that Australian Dairy Farmers have stated:

... the threat of lumpy skin disease far exceeds the \$61.6 million over four years provided to address that and other biosecurity risks.

Are they wrong, though, in terms of adequate funding for that?

Mr Delane: [Inaudible], but I'm not going to comment on that. The inspector-general's role, as established under the legislation, is one of reviews. Mr Metcalfe, who's the Director of Biosecurity, Mr Tongue and team have got the operational and forward-looking response. My role is to see if what has been done and is being done is adequate. I think it's too early for an inspector-general to begin to look at matters such as that. But, early in Dr Klumpp's term, he may choose to look at that. That's a matter for him, in consultation with the minister, the secretary and others.

Senator McCARTHY: Have you had to brief the minister at all on lumpy skin disease?

Mr Delane: No, I haven't.

Senator McCARTHY: Your term finishes towards the end of July 2022. What are your priorities for the next few months, with your term as inspector-general finishing?

Mr Delane: We have two government reviews, one on xylella, Australia's No. 1 plant pest. That review is in its fact-checking phase, so it's with the department, and I'll be talking to the department's people about that tomorrow. I anticipate providing that final report to the Director of Biosecurity and Mr Metcalfe around the end of the month or early May, and to be able to publish that report about the end of May. We are in the middle of a significant review of the department's use of detector dogs and x-rays, and that report will be completed a little later than that. I have a little time left in my term and I'm currently considering a short review, which wouldn't require detailed technical examination, and completing that in the run-up to 24 July.

Senator McCARTHY: You mentioned earlier the different reviews and recommendations you made. Which of those do you think have gone towards improving Australia's biosecurity system and the department's key role in those reviews?

Mr Delane: I think they all have. Every one of them has got a significant number of recommendations. They've been largely accepted and agreed to by the Director of Biosecurity at the time. You can see that key elements of a number of them have been in major pieces of work. My operational model review underpins or reinforces quite a lot of the reforms that are underway at the moment. The review, on request from Minister Littleproud, to examine departmental issues associated with the *Ruby Princess* and other related matters had a large number of recommendations, and substantial improvements in training have already been made with that. As I head toward the end of my term, there is a lot of work that has been very valuable for the department and, therefore, to Australian biosecurity. There is a lot of work underway by the department which picks up on the

work of the inspector-general. At the last estimate session I made complimentary comments about that, and I make those again. There is a major body of reform underway in the department which goes a long way to addressing the recommendations that I've made, including some very blunt and candid recommendations, and Mr Metcalfe and his team are making progress on those. Today, I have to be happy about that.

Senator McCARTHY: Mr Delane, thank you for your time and for your service. If we don't see you again, all the best.

Mr Delane: Thank you, Senator.

Senator McCARTHY: Chair, I have those two questions for the department, which I put at the beginning, if they want to answer them.

Mr Metcalfe: Yes, we can do that. I should note that farewells were given to Mr Delane when we were here a few weeks ago, but I don't think there are any more estimates planned before his retirement in July, so I put on the record my appreciation for his advice and extreme professionalism. I know the committee has also valued his contributions over the years.

CHAIR: Thank you, Mr Metcalf.

Mr Delane: Thank you, Secretary, and thank you, senators.

CHAIR: Mr Delane, I would like to add, as the chair, our thanks as well. You've been spoken of very highly for your professionalism. These final recommendations around the biosecurity plans are a great note on which to finish in this role. You've done a terrific job, so please go with the committee's thanks.

Mr Delane: Thank you, Senator.

Mr Metcalfe: Mr Hazlehurst is back at the table. He chaired the selection and ran the selection process, which ultimately provided advice to the minister, who in turn took the matter through government processes, so happy to answer any questions you have.

Senator McCARTHY: The question that I had asked, which we need an answer to if that's possible, is how many candidates were considered in total?

Mr Hazlehurst: I might just describe the couple of steps that we had in the process. We initially advertised for the position on 7 January. That was in the *Financial Review*, *The Australian*, Seek.com and LinkedIn. The secretary also canvassed his state and territory counterparts. We received eight applications at that time. We felt, as a panel—I chaired the panel—that we wanted to draw out some further applications. We thought we could get a stronger field, so we re-advertised, albeit a little more narrowly, through APS jobs, Seek and LinkedIn, from 11 to 20 February. A total of 12 applications were received. We shortlisted three candidates and interviews were held on 7 March.

Senator McCARTHY: Were any of the eight in the first round in the 12, the second round?

Mr Hazlehurst: The 12 were an additional 12, on top of the eight that we got initially.

Senator McCARTHY: What special qualifications or experience did Dr Klumpp offer that made him the right pick as Australia's next Inspector-General of Biosecurity over the other eight applicants?

Mr Hazlehurst: As a panel, and indeed in the material that was put out in terms of selection documentation, we had a focus on a mixture of things: some background in either biosecurity itself or in the review of large regulatory systems and an understanding of the administration and review of those sorts of systems. Dr Klumpp has a background in biosecurity. He is now and has been an independent consultant but previously worked extensively in the Victorian and Tasmanian governments in the areas of biosecurity. Subsequent to that he has held a range of related positions. For example, he is the chair of the National Fruit Fly Council and he has been an independent director on Victoria's strengthening biosecurity system program. Related but not directly to biosecurity, he also chairs the standards and technical committee of the National Association for Sustainable Agriculture Australia. So the panel was very comfortable that Dr Klumpp had a range of experience both specific to biosecurity but also broader administration and review experienced that made him eminently qualified to be the next Inspector-General.

Senator McCARTHY: Who did the panel consist of? I know Mr Delane mentioned a few names, but if you could just finalise that.

Mr Hazlehurst: The other members of the panel were Dr Marion Healy, who is a consultant who provides strategic technical and regulatory advice, particularly around safety and plant biosecurity. Dr Healy was also formerly a first assistant secretary of the biosecurity plant division within the department. There was Sharon Starick, who is the chair of Animal Health Australia, and Rina Bruinsma, who is the first assistant commissioner

of the Australian Public Service Commission—she was the Public Service Commissioner's representative on the panel.

Senator McCARTHY: Along with Mr Delane.

Mr Hazlehurst: That's correct.

CHAIR: I believe that now brings us to the end of our examination of outcome 4 and the Inspector-General of Biosecurity. We are going to return with the Australian Fisheries Management Authority.

Proceedings suspended from 13:25 to 14:27

Australian Fisheries Management Authority

CHAIR: Welcome to representatives of the Australian Fisheries Management Authority. Do you wish to make an opening statement?

Mr Norris: No, thanks.

Senator SHELDON: I note in the budget the resourcing for the department has gone up from \$61.7 million to \$64.2 million in 2022-23, an increase of about 5.7 per cent. At the same time, your average staffing level, ASL, has gone from 154 to 177, which is an increase of about 15 per cent. Can you tell me why you have increased staffing levels so much this year?

Mr Norris: I'm not sure where the average staffing level of 154 has come from. In the portfolio budget statement, it was 177 as budgeted. Let me start again: 154 was the actual figure throughout last year. We encountered, as a number of other departments have reported, quite high staff turnover throughout the year. We put a hold on recruitment for a short period of time during the early days of the COVID pandemic. That is why our actual ASL was lower than budgeted, and we now anticipating rebuilding numbers.

Senator SHELDON: Thank you for that. That explains the change to 177. You are going back to previous staffing levels.

Mr Norris: That's correct.

Senator SHELDON: I note in the budget that \$24 million over three years from 2022-23 has been committed to improve the long-term sustainability of the South East Trawl Fishery and support fishing communities by providing a temporary partial waiver of Australian Fisheries Management Authority levies. Can you provide any detail as to how that money will be spent? Who is getting the levy waiver?

Mr Norris: As you say, of the total money provided, \$3 million comes to AFMA over the three-year period. That is to provide, as you said, partial waivers of the management levies that we charge of all commercial fishers. Essentially what that is to account for is that the other components of the money—the bulk of the funds which will be administered by the department—are to remove concessions, to remove the number of active players in the fishery. This \$3 million over three years is in recognition that there'll be a smaller industry base that would not be able to sustain the same level of management costs that are being borne at the moment.

Senator SHELDON: What proportion of the \$24 million is going towards sustainability? And how much is the levy waiver?

Mr Norris: It is \$3 million.

Senator SHELDON: That's \$3 million toward sustainability, is it?

Mr Norris: Sorry, no: \$21 million will be administered by the department, \$20 million is for the removal of boat statutory fishing rights in the South East Trawl Fishery and \$1 million is to do the necessary fleet dynamics and industry understanding to guide the program. So that \$21 million is the direct sustainability outcome for the fishery, and then the \$3 million over three years is to assist the viability of the remaining operators over the estimates.

Senator SHELDON: Thank you very much for that.

CHAIR: Senator Whish-Wilson is having trouble logging on, so I'll ask some questions in the meantime. I'm aware that in Queensland the fisheries management is changing again, and the commercial fisherman tell me they will not be able to fish for Spanish mackerel. I don't eat a lot of fish. I come from a long way inland. And I'm disturbed—are these changes to the Queensland quotas and fisheries program in conjunction with the federal government? It's not something that the feds are linked with?

Mr Norris: I'm certainly very familiar with the situation and what's happening there, but it's not anything that AFMA or the Commonwealth government is directly involved in. It is a case where the most recent science is showing a very significant decline in the stock, so the Queensland government is having to move to reduce the catches to accommodate that.

CHAIR: That's no good at all. We've been doing a lot of work on country of origin, and certainly the fishing industry has been struggling with being able to identify that for their retail sites, so I've followed that with some interest. That's bad news for Queensland, and no doubt we'll explore this further in the fisheries inquiry that we're doing and we'll restart after the election.

Senator MIRABELLA: I'm from Victoria. I saw a headline recently saying that the Victorian government would be closing the Port Phillip fishery. Bays and inlets—is that something that comes under AFMA? Is it in your purview in any way?

Mr Norris: No, that's the Victorian Fisheries Authority.

CHAIR: Unfortunately, we haven't been able to raise Senator Whish-Wilson. Minister, did you want to say something?

Senator Duniam: I do want to put on record my thanks to the team at AFMA, who, for the last couple of years, alongside the department, particularly in the fisheries section, have done an amazing job supporting the fishing industry. It's been an incredibly tough period of time, but the responsive nature of the team at AFMA, led by Wez and Anna, I think needs to be recognised. So, I just want to pay tribute to a team who's worked very hard in difficult circumstances to support an industry that has a tough time at the best of times.

CHAIR: Thank you, Minister. That's a lovely tribute.

Senator MIRABELLA: I have another question or two—perhaps opportune questions. I come from a fishing family. I've watched, down south, progressively, the bays and inlet fisheries closed. I hear of catch quota reductions everywhere. Every time I go to a fish market I assess all the product on display, and there is less and less local product. At the same time, I see recreational effort increasing. Where are we going? What is the future, generally? Does AFMA have studies going on, looking at the future of Australian fish? It's a big question, I know.

Mr Norris: That's the \$24 million question that we are grappling with at the moment. I'll perhaps just point to a couple of general trends that might assist to inform a general picture. In some of our fisheries we are seeing increased vulnerability of fish stocks. We're seeing fish stocks that haven't reacted to our traditional ways of managing them in the way that we would expect. That's the situation we find ourselves in with the South East Trawl Fishery that Senator Sheldon was asking about, where we have a number of species that we hold very significant concerns for. The AFMA commission has had to take very difficult decisions to reduce the quotas for those species, and we are consulting with industry about introducing quite large-scale closures for additional protection. In that particular case, it points to a smaller fishery producing a reduced amount of target catch. That's an unfortunate reality about the way the marine environment that we're dealing with is changing and our need to make sure that we build really high degrees of precaution into our management arrangements.

In other aspects of the Commonwealth fisheries, which is what we manage, we see some of the opposite trends. We see some fish stocks that are going very well and where fish production is increasing. Where we don't come in as a fisheries management agency is the fate of that fish, and obviously as a commercial operator if you can get a significant premium on your catch by exporting it then you've got the commercial incentive to do so. So, there is a big challenge for us as a regulator to make sure we deliver sustainable stocks that are in a suitable shape to support an economically viable industry, and then other elements of governments, both at the state and the Commonwealth level, will need to play a role in terms of some of the associated issues you've raised: what the status of recreational fishing is, what impact that has on those stocks and what the market destination is for that fish that's caught.

Senator MIRABELLA: If I may follow up on that: what is the New Zealand experience? What are they doing? What's happening in their fishery?

Mr Norris: There are some very good parallels between Australian and New Zealand fisheries and also some very big points of departure. By and large Australian waters are classified as of low productivity. That sounds strange, when you think of the Great Barrier Reef and things like that. But in terms of not having these cold water upwellings that bring nutrients from the ocean floor, as you have in other places, and not having very large-scale river systems that flush biological material into the ocean, we don't have fisheries that are highly productive. New Zealand is the opposite. With its cold water upwellings, it does have very large fisheries compared with anything we have. But in terms of the parallels, we have very similar management approaches in terms of our reliance on best available science to set a total allowable catch for our key species and then allocated into individual transferrable quotas as a way of being able to deliver on two of our key objectives, which are the sustainability and the economic returns to the community.

CHAIR: Are you finished, Senator Mirabella?

Senator MIRABELLA: Yes.

CHAIR: Senator Whish-Wilson.

Senator WHISH-WILSON: I'm sorry if I've missed some questions on this. I want to follow up on questions I asked the department yesterday, Ms Campbell, around the budget item on page 15 of the Regional ministerial budget statement, the \$24 million structural adjustment package in the South East Trawl Fishery. Have you already asked questions about this?

Mr Norris: Yes. Senator Sheldon asked some questions on it in terms of the breakdown and what individual components would be used for.

Senator WHISH-WILSON: Great. I got some information from the department the other day. So I won't go over that. Obviously, the budget item says it's to improve long-term sustainability in the South East Trawl Fishery and support communities. The other day, when I asked Ms Campbell why, she said, 'We think that it's environmental factors, including climate change' and 'We know the area does have climate impacts.' Could you give me a little bit more information about the research that led to this decision and who provided that?

Mr Norris: Yes. In terms of the research that has led to the decisions that the AFMA Commission has taken, it's very hard to point to anything individually, because there are literally dozens of contributors. I will point you to—and we can provide this on notice—a document that we call the species summary. I'll warn you in advance that it's pretty tough going; it's 186 pages of quite technical work. But that's where our team draws together all of the information, starting at the stock assessments done by CSIRO and our other science providers, the advice from the resource assessment groups as they consider that, the recommendations of our management advisory committees as they go through it, and the advice of AFMA management as it comes to us as the commission. That goes through all the 34 quota species in the fishery that we're talking about. That helps to explain the basis for the decisions that we've made.

In addition to that—and I know we've discussed this in this committee before—AFMA's been investing quite heavily in climate change related research over the last eight or nine years. There are some key projects that have come out that help to inform us on at least understanding why some of these trends are occurring that we're seeing, but there are a couple of key projects that are just winding up now. I'll give a little plug for a project that was completed last year and announced by CSIRO and AFMA at the World Fisheries Congress, which is called a climate change adaptation handbook. That is really our guiding piece moving forward as to how we will build issues such as climate change into our management decision-making so that we can have a higher degree of confidence than we do at the moment that we are going to be resilient to further environmental changes.

Senator WHISH-WILSON: So this is a long-term structural adjustment. The information I got the other day was that you'd seen a significant reduction in catch, particularly for the morwong, 60 to 70 per cent. I didn't get a time period that had occurred. Was the morwong the main species that had a significant reduction in catch?

Mr Norris: No. There were four species in particular that the AFMA Commission focused our concerns on at our 9 March meeting. The jackass morwong was by far the most significant because it's the one that the latest science has shown the most concerning decline. But redfish, John Dory, and silver trevally are also stocks that we have taken the specific decision to reduce the catch of. In addition to those reductions in the available catch levels, we have also indicated to industry that we will need to implement these large-scale closures. Simply reducing the TEAC by themselves is not likely to actually reduce the catch of these stocks. We believe that closures will be needed to accompany that.

Senator WHISH-WILSON: In terms of precedents, is this the first time that climate change and, more broadly, environmental factors have led to a direct structural adjustment in a particular fishery, or a large-scale closure, as you frame it?

Mr Norris: It's the first case that I'm aware of, but that certainly wouldn't be definitive in terms of global experience.

Senator WHISH-WILSON: No. I was interested in that just for Australia—if that was the case. My next question was going to be about the possibility of our seeing more closures, but I think you've just indicated that that is a possibility.

Mr Norris: Never say never in fisheries management! So, yes, it's a possibility. But I think the actions that the AFMA Commission has taken, now supported by the government's announcement of structural adjustment, are a very robust response to the situation that we find ourselves in. It would have been quite easy to fiddle around the edges and make some small decisions, but the commission decided that it was time to really take those hard ones, which are difficult for us and difficult for industry, in the expectation that we will be setting up a long-term sustainable fishery.

Senator WHISH-WILSON: From this Senate references committee's ongoing inquiry into quota management, my limited experience is that fishing stakeholders are pretty clued up about the changes they've seen in the ocean. Have they been receptive—not receptive; I suppose they'd be disappointed by this. Do they accept that there have been climate and environmental attacks on their fishery?

Mr Norris: Yes. First of all, on the specific case that we're in, industry has been very proactive and very receptive. It's quite been quite heartening that none of our consultation to date has been a discussion about whether there's a problem or not; that's widely acknowledged. It is widely acknowledged that fishing has played its role, particularly two decades ago, but that environmental factors are very strong driver. So that's been a really strong point to start the discussion with industry on. Of course, the magnitude of the measures that we're looking to take, particularly those closures, is quite shocking, and so you can understand that industry will be quite concerned about what those look like. Again, that's where the government's announcement of structural adjustment assistance is particularly useful.

In terms of a more general statement about whether there is acceptance of the impacts of climate change, the project that has delivered that climate change adaptation handbook that I spoke about had very heavy industry involvement in its development, and again there was quite good acceptance and really good intelligence coming out of the industry about what they've seen changing and how that's impacted things.

Senator WHISH-WILSON: Okay. Excellent. Without going into 186 pages of detail, could you give me some rough, very brief environmental factors—a kind of pub-talk summary. Are we talking about loss of habitat here? Are we talking about invasive species? Is it the warming oceans? Is there anything that stands out in the research?

Mr Norris: There are a couple of macrotrends that do stand out. One of the big ones that are easiest to quote is the flow of the east Australian current. That's pushing further south by—I can't remember the number, but it's more than 100 nautical miles further south. When you have that warm water from the tropics coming further south, that has some quite expected implications for things like larval distribution and survivability rate, the distribution of prey species and so on.

Senator WHISH-WILSON: That flow would be related to ocean temperatures, then, if it's eastern Australian current and there are temperature and nutrient changes.

Mr Norris: In that particular case—there is quite a famous saying in fisheries science that 'counting fish is just like counting trees, except they're invisible, they move and they eat each other'. So trying to draw all that together is a pretty significant challenge.

Senator WHISH-WILSON: It's a significant challenge, yet you obviously feel strongly enough that, as you say, something shocking needed to happen in terms of the magnitude of action that you've taken.

Mr Norris: Correct.

Senator WHISH-WILSON: I will put more detailed questions on notice. I know it's only been a few months since I asked you the same questions back in February, but has there been any more thought or consideration given to looking at more research funding looking at the spread of *Centrostephanus*? It's obviously related to what we're discussing now in terms of the East Australian Current, with loss of habitat and impact on fisheries. Has there been any more thought about research funding going into projects to deal with that issue?

Mr Norris: As I said in our last discussion, we haven't been directly involved in any of those urchin discussions. They're primarily between Victoria and Tasmania, being in areas where Commonwealth fisheries don't tend to operate. I can't recall whether I made this connection last time, but, as you say, there is a real connection in terms of the broad concept that we're talking about—how do we make sure we're investing in the appropriate research but also routine monitoring and assessment to be able to detect issues that are climate or environmentally driven, and how do we respond to those issues? Our next meeting of the Australian Fisheries Management Forum is not until June, but I plan on putting that up for discussion at that meeting. As you say, it's about: how do we make sure that we're investing the quite limited funds that we have available for everything into the right area?

Senator WHISH-WILSON: Excellent. I will look forward to that with interest. Thanks for your responses today.

Senator MIRABELLA: In recent times, the issue of foreign fishing vessel effort hasn't been the topic in the media that it was. Can you update us briefly on what you're monitoring and the extent to which AFMA has a view on the impact of foreign fishing vessels and their efforts on fish stocks in our waters?

Mr Norris: AFMA participates with Maritime Border Command, which is a multiagency task force under the Australian Border Force, to prevent, deter and eliminate illegal foreign fishing in our waters. Our current assessment is that there is only one significant area of risk of illegal fishing, and that's in the north-west of Australia—as you say, reported in the media in late 2021. We have experienced a quite significant influx of illegal foreign fishing vessels, primarily from Indonesia. There are a number of drivers for that, mainly COVID related. That has required Maritime Border Command and all its partner agencies to significantly pivot to address that. Maritime Border Command is achieving fantastic results out on the water as a result of its aerial surveillance and the deployment of surface assets. It's intercepting large numbers of vessels and achieving large quantities of legislative forfeitures.

In terms of the risks that that poses, that is an open question at the moment. It's one that AFMA and Parks Australia have discussed a lot. The areas that these vessels are typically targeting are Australian marine parks, and they're primarily targeting trepang or sea cucumber, which are species that are quite vulnerable to overfishing, and so it's important that we continue to put that whole-of-government effort not only into the detection and enforcement side of things but also into trying to work out what that means for those relevant stocks.

Senator MIRABELLA: I assume from that answer that you believe you're adequately resourced for that.

Mr Norris: We're a minor partner in terms of resourcing. Our role is to place officers on board Navy and Border Force vessels when they're out there and to assist in the caretaking and destruction of vessels when they're seized. We are very well resourced to do that task, and I won't speak for Border Force in terms of their deployment.

CHAIR: Unless anybody has any more questions for AFMA, that brings us to the end for that agency. Thank you for your time. Please go with our thanks.

Australian Pesticides and Veterinary Medicines Authority

[14:54]

CHAIR: Welcome. Ms Croft, I cite your story so often, you being a regional person who is able to be back holding this fabulous job with the agency in a regional place. So, if your ears are burning, it's my fault. I'm talking about you. Do you wish to make an opening statement?

Ms Croft: No.

CHAIR: I will go to Senator Sheldon for questions.

Senator SHELDON: Thank you very much, Chair. I have a series of questions relating to the governance board for the APVMA, which I understand will be announced soon. The government agreed to provide the funds for costs associated with the establishment of the board and fund it for the first two years. There are at least no additional costs pushed onto the farming sector as a result of the cost of establishing the board and its operations. Can you confirm whether the entire sum of the announced funds for the establishment of the board has gone directly to the APVMA for that purpose?

Ms Croft: The funds that are used to establish the board for the first two years are coming from funding the APVMA already receives from the agricultural white paper funding. So, yes, we have those funds.

Senator SHELDON: They are not additional funds?

Ms Croft: That is correct.

Senator SHELDON: Can you confirm what process was followed by the appointments to the committee in drawing up a list of [inaudible] board?

Ms Croft: The APVMA did not manage the appointments process. It was managed by the department. I might refer back to the secretary. Secretary, can you assist?

Ms Deininger: The board appointment process was managed by our Enabling Services Group, who were appearing under an earlier outcome, so I am not able to go into a lot of detail in relation to that. But I am happy to take your question on notice in relation to the process for the board appointments.

Senator SHELDON: Thank you. I will run through a few others you may be able to assist me with or take on notice. Where there any key farming or industry associations consulted by the department at this stage of the selection process?

Ms Deininger: We will take that on notice and refer it to our colleagues.

Senator SHELDON: Was a panel used to draw up the recommendations to the minister?

Ms Deininger: We will take that on notice as well.

Senator SHELDON: You will probably have to take these others on notice, but I will just run through them. How many people are considered for appointment to the board? When was the recommendation for the board membership delivered to the minister?

Ms Deininger: Yes, we will take those on notice.

Senator SHELDON: Were there any changes to the original list of board directors either before or after the recommendations were signed off by the minister? Could you take that on notice?

Ms Deininger: Yes.

Senator SHELDON: How will members of the board be remunerated for their participation? Can you take that on notice?

Ms Deininger: Yes.

Senator SHELDON: Unless you're able to answer those now?

Ms Croft: I may be able to assist with that one. There has been a Remuneration Tribunal decision in relation to remuneration of the chair and other members of the board.

Senator SHELDON: Can you just step me through how [inaudible] was determined?

Ms Croft: Yes. For the chair the determination was \$95,512 for the first year and \$85,920 for each subsequent year. Then for the board members it was \$47,256 for the first year and \$42,960 for each subsequent year.

Senator SHELDON: If I understood correctly from your previous answer, that is a remuneration level that commonly applies across various boards of government or did I misunderstand it?

Ms Croft: The Remuneration Tribunal determines the remuneration, but I understand it's broadly in line with other boards of government agencies similar to the APVMA.

Senator SHELDON: I note on page 4 of your 2020-21 annual report, in the section entitled 'Regulatory performance', that there appears to have been an improvement in the number of assessments undertaken on time for ag-vet products and permits. It states:

We finalised 94% of applications within timeframe in 2020–21 ... This included finalising 99% of pesticides applications ... and 99% of veterinary medicines applications ... within timeframe.

This is a marked improvement on 2019-20 where the assessments of applications were completely within time frames just 88 per cent of the time. Well done on this improvement. How have you gone about securing this improvement? It's quite a significant thing.

Ms Croft: The time-frame performance improvements have continued year on year. I think three years ago in some areas we were in the 60 per cents. That lifted to around 85 per cent in around 2018-19 and has continued to grow since then. I think it's been a combination of factors. Certainly, early in my time in the APVMA we commissioned a review for time-frame performance and looked at some of the key drivers causing some of that time-frame performance. Some things went to, for example, application quality, and so we have, for example, put in place a pre-application assistance program to assist applicants to come in with all the information up-front. So they're clear about our requirements, and that certainly has improved the quality of applications we've received, and that means that we can, of course, do more in terms of getting them done within time frame.

I have to at this point pay enormous credit to the staff that are with us in the APVMA, particularly in our registration and risk-assessment areas. I have to say, I can attest personally to the effort that they have put in in recent years to absolutely bring those numbers from in the 50s and 60s right up to—I think, in the most recent quarter—very close to 98 per cent overall time-frame performance. I have to say the vast bulk of the credit goes to those staff who have worked very hard for that improvement in performance.

Senator SHELDON: Thank you, Ms Croft, that's a very good way of explaining it, saying it's a team effort. I appreciate the hard work by you and many in your team to achieve those outcomes. Now that you've begun to consistently achieve the performance levels demanded by the statutory time frames, what procedures or KPIs have been put in place to ensure that pesticides and veterinary medicines continue to be assessed in a timely fashion?

Ms Croft: One of the things that we had, certainly when I came to the APVMA, is quite a backlog of overdue applications. We've now cleared that backlog and we've put in place systems within our registration and risk-assessment areas to make sure that we are continually monitoring applications through their life cycle. We're making some IT improvements that will help us ensure that tracking continues better, going forward. And also, we're continuing to do that engagement piece with applicants to make sure that the applications we're receiving in

the APVMA have all the information that we need up-front, so that we can process them in as timely a way as possible.

The other thing I would add, in addition to the improved time-frame performance, is we are currently consulting with industry as part of our cost-recovery process to actually reduce the time frames and fees associated with certain application types. For some applications that currently, for example, require a six-months chemistry assessment, that assessment might come down to just two or three months. And so, now having stabilised the performance, we're looking at how we can further improve that—further fee relief but also time-frame performance improvement for industry so their applications can be processed more quickly.

Senator SHELDON: I think you've partially answered the question I'm about to ask, but you may want to expand a bit. Is there a plan to continue improvement in assessment time frames so that they are completed more efficiently than required by the legal minimum?

Ms Croft: Yes. As I just started to talk about, we're consulting with industry now about how we can further revise our assessments. We essentially have five core assessment areas that we must consider as part of applications. At the moment, for some of those application types—as I said, for chemistry—the minimum time frame is currently six months. We've currently got a proposal out that we increase the modular structure so that, for some of those applications, the chemistry component at least could be completed within two months. Similarly, in toxicology work health and safety, the current minimum assessment module time frame is four months and we're again looking to have a two-month time frame associated with that. In both those cases, that would probably also reduce costs to about half for those modules that fit into those new modular descriptions. Similarly, in the residue space, the minimum time frame is currently four months, and we're looking to bring that down to three months. It's the same in the environment space, and in our efficacy space I think the modules largely remain the same.

Senator SHELDON: Thank you very much for that update. I want to move to a set of questions regarding the enabling technologies project. This is a replacement for the online services portal?

Ms Croft: The replacement of the current online services portal is one component of a broader enabling technology program.

Senator SHELDON: Could you expand on that for me.

Ms Croft: There are a couple of components to the enabling tech program. We have a very large store of physical files. Given the relocation, it was very important that all of those physical files could be digitised so that they could be accessed from either Armidale or Canberra. I think about \$4 million of that \$10 million was related to the digitisation program—digitising 25 years of historical files. The other part was about enabling our information and communication technology equipment to be capable of undertaking the relocation from Canberra to Armidale. And there was a component for improved overall IT. One part of that was the application transformation project, which is the services portal that you've been referring to.

Senator SHELDON: Your financial statements show that the original completion date for the project was 30 June 2022. In just one year, that's blown out to 30 June 2024. What's caused that delay?

Ms Croft: No. There has been an extension to the time required for the application portal redevelopment. We anticipate having that component of the enabling tech finalised in December 2022.

Senator SHELDON: So the date I have is wrong. What is the current time frame for completion? You said it was December 2022.

Ms Croft: December 2022. We have a contract with an IT service provider. Originally, we talked about it being a five-year contract. We've only exercised the first three years of it in the original contract, and we've recently extended that so that we have coverage for the final two years. We've exercised our option, essentially. That may line up with the other dates you were just referring to.

Senator SHELDON: I think that might be correct. Thanks for that assistance. Does that extension affect the overall cost? There is obviously a cost-benefit analysis.

Ms Croft: The original three-year contract was in the order of \$12 million. In AusTender, you'll see that two increases on that have been published recently. That is the two-year extension that I'm talking about—one for year 4 and one for year 5. So the total contract is now in the order of \$21 million over five years. It's about \$4 million a year for the first three years and slightly above that—\$4.2 million on average—over the five years. So there has been an increase.

Senator SHELDON: There has been an increase in the actual budget for that work?

Ms Croft: Yes. I would have to say, though, that that is not entirely unexpected. We would expect the cost in year 5 of an agreement to be higher than in year 1.

Senator SHELDON: Is this project expected to bring time and monetary savings?

Ms Croft: We are certainly expecting it to be more efficient for our staff. The system we are currently working on is quite dated, in terms of when the original technology was developed, so we are certainly hoping that it will streamline processes internally for our [inaudible] to do what they need to do to assess applications. Also, importantly, we are hoping that it will be a much more streamlined system for industry to submit their applications. So we're working for efficiencies in both those areas.

Senator SHELDON: Does the slight time frame blowout to December 2022 impact other intended efficiencies at all?

Ms Croft: Obviously, we would like to have it done as soon as possible. In terms of extending to December, I'm not sure there's a way that I can quantify what that lost efficiency, so to speak, might be. I do know that the way that it's being developed now will certainly mean a greater ability for industry in particular to submit their applications. It will be a much more efficient system. Our view was that it was important to get both the internal and the external aspects of the system right so we could realise those efficiencies down the track.

The other thing about the mechanism we're doing now is that it will allow us to retire more of our old, legacy systems. We'll reduce our costs by about \$300,000 or \$400,000 a year once we're able to retire those systems, so it's worth doing the investment in a better system now so that we can retire some of our legacy systems, which we've had for some time now.

Senator SHELDON: You mentioned that you took up the option for the extension of the contract—the one that went to 2024. Will that be a blowout in time, and, if it is, will it have an effect on efficiencies and potential cost estimates?

Ms Croft: Senator, the line broke up a little bit. Could you repeat the question.

Senator SHELDON: You mentioned that the authority took up an option for a two-year extension of a contract from 2024. Has the extension of the contract blown out any schedules for work to be completed? Is that the reason it was taken up—that it wasn't done as quickly as hoped?

Ms Croft: No. We had always left ourselves the option. It was a new service provider for us. When we went to market, the total length of the contract could have been five years, at the very beginning, but we chose to exercise a three-year contract initially to make sure that the service provider could provide what we required. We had always envisaged, subject to satisfactory performance, that we would extend it for the remaining two years. As I understand it, there are no more extensions available in the contract beyond the next two years, so over the course of the next two years we will go to market for a provider beyond that time. But it's fair to say that the intention always was for a five-year agreement, at the time we went to market.

Senator SHELDON: Thanks very much. I appreciate your fulsome answers. Congratulations on the great work you've done.

CHAIR: I don't believe we have any more questions for you, Ms Croft. Thank you for your time in preparing for today. Please go with the committee's thanks.

Ms Croft: Thank you very much, Chair. Thanks, senators.

Dairy Australia

[15:14]

CHAIR: I now call representatives of Dairy Australia. Do you wish to make an opening statement?

Mr Mann: Yes, thank you. It's good to see you in person.

CHAIR: Yes, I know—back in the real world!

Mr Mann: The dairy industry has been going along quite comfortably in many places; however, the really tragic floods in Queensland and northern New South Wales have impacted on many farmers up there. One hundred and ninety of them, which is roughly half, have been impacted one way or another, and a good chunk of them severely, which is very tragic if you happen to be one of them. Knowing a few of them—it is very average. Secondly, the levy poll has been completed. We've been around the countryside informing farmers of their options and being available for them to any question so they can make an informed choice. That finished at midnight on Thursday. We're engaged in the legislative process now, before we can report back.

CHAIR: Thank you for reminding us about the tragic impact on dairy farmers in South-East Queensland and the far north of New South Wales. I saw some of the footage, and it was incredibly distressing. My heart goes out

to them, and I know everybody in the committee would feel the same way. It is just devastating. Whatever we can do to assist, we are open ears. Senator Ciccone.

Senator CICCONE: I want to echo the sentiment that the chair just expressed. It's really distressing to see the footage of the floods, and obviously we send our very best wishes and thoughts to all the farmers who have been impacted.

Mr Mann: Thank you.

Senator CICCONE: It's really good to see you here at the table. It's an improvement on the Zoom or Teams experience! Thank you for appearing before the committee today. Could I take you to the dairy poll, which you just mentioned in your opening statement. When do we expect to have the results of that poll made publicly available?

Mr Mann: In the next 48 hours. I could ask David, if you'd like, to go through the exact process.

Senator CICCONE: I think that would be helpful.

Dr Nation: The poll closed on Thursday evening.

Senator CICCONE: Last week?

Dr Nation: Yes, last week on Thursday evening. The poll was run by an independent agent, Link Market Services. We'll get the official audited results from Link. One of the obligations under the instrument through which we're running the poll is that we inform farmers first, and we intend to do that in the next 24 to 48 hours. Then our second obligation, after informing farmers, is to inform the minister. So we're all set to—

Senator CICCONE: So you receive the results and then there's an audit process?

Dr Nation: We wait for Link Market Services to give us their final audited results. There have been two working days since—

Senator CICCONE: What's involved in that auditing process?

Dr Nation: That's their process to satisfy themselves and sign off on the poll as being a reflection of the poll. Then they provide a signed statement of the poll outcome and we communicate it. Our first priority under the instrument is to communicate with farmers, which we intend to do in the next 24 to 48 hours.

Senator CICCONE: You're not aware of what their audit process is and why it takes them so long to turn around the results? It's an online poll, isn't it, or is it a hard copy?

Dr Nation: It's post, email, fax and online.

Senator CICCONE: Fax? There wouldn't be too many fax machines. Anyway, good to know! There might be some people listening to this who don't even know what a fax machine is, but that's another story. Once you receive the results, how do you communicate them to the farmers?

Dr Nation: We will email and we will post a letter to every farmer in the country that's a levy payer.

Senator CICCONE: You then inform the minister?

Dr Nation: We then inform the minister, straight afterwards—

Senator CICCONE: How do you do that—by fax as well?

Dr Nation: That would be a novel way of informing the minister!

Senator CICCONE: At what stage do you let the public know?

Dr Nation: As soon as we've undertaken the tasks which we've been asked to do, we will make public the results.

Senator CICCONE: Has Dairy Australia developed any plans in anticipation of the various positions that might come out of the poll?

Mr Mann: Yes, we've thought about all options of what might come out of the poll, but we will solidify those plans as we know the result of the poll. We've put very preliminary, big-sky thinking into it; that is all.

Senator CICCONE: Just remind me—what were the different options in the poll? What was put to the levy holders?

Mr Mann: Zero, 15 per cent increase, 20 per cent increase and 25 per cent increase.

Dr Nation: To clarify, the base option is no change to the levy. That's what's implied by zero. And there are three increase options, of 15, 20 and 25.

Senator CICCONE: Should the result of the poll be no change, how are you equipped to respond to this outcome?

Dr Nation: Especially in regard to your previous question, the way Dairy Australia operates is that we prepare a strategic plan—we have a current five-year strategic plan—and then each year we also prepare an annual operating plan. That annual operating plan is really the key next document for us. It will be published going into 1 July next year, and it will reflect what we believe we can achieve in the next 12 months based on our capacity to invest on behalf of the dairy industry. So if there is no change to the levy we will prepare an annual operating plan accordingly.

There are a whole lot of processes that we do to make sure we've consulted with farmers. We've already started that process with farmer representatives, and we will make sure that our annual plan reflects the priorities that farmers set out for us to achieve. We've also had some very positive feedback that, regardless of the outcome of the poll, the areas that we've been talking with farmers about as priority areas—areas like labour, improved services on a regional basis, climate, and policy development—have been well received through the whole process. We expect our annual operating plan will reflect investments in those spaces as well as the priorities that come through consultation and the priorities to deliver our strategic plan.

Senator CICCONE: Where I'm going with this—if there is decision a decision of no increase, which would obviously be up to the levy holders, are you able to commit that there won't be a reduction in the delivery of services by Dairy Australia? How do you manage that when you're being told that you can't increase your levies?

Mr Mann: We will have to cut our suit to the cloth that we're given, obviously. If over time our priorities change, our strategic plan changes and our annual operating plan changes. We can't spend more money than we have.

Senator CICCONE: Are the dates of this poll set by the board, or are they set by regulations? Who makes the decision about when the poll date is set?

Dr Nation: The legislative instrument says that a poll process must be completed at least every five years, so we have to report back to the minister. Our five-year deadline is in April, and we will report inside that five-year duration. That will satisfy the levy poll process.

Senator CICCONE: So by the end of March is when the poll needed to be conducted?

Dr Nation: We work backwards from that five-year mark. We started this process back in February last year, 2021, and we've mapped forward what it will take to achieve a completed levy poll process by April 2022.

Senator CICCONE: You wouldn't have thought to set the date just before estimates so we were able to ask some questions about it? I'm just being cheeky. Turning to another matter, at additional estimates we discussed the efforts that you'd made to secure financial contributions from the Australian Dairy Products Federation and its members to Dairy Australia. How has the matter progress since then?

Mr Mann: The matter has progressed to some extent. This week Fonterra Australia indicated to us that they would like to contribute to industry-good activities in a meaningful and financial way. We are continuing to have discussions with ADPF, and we would hope that they become fruitful.

Senator CICCONE: So there's nothing else that you can provide us? You're still in hope?

Mr Mann: I live in hope! David, you may wish to add to that.

Dr Nation: Further to what you've explained, James: our main point of contact in negotiating with processors has been their federation. I used the acronym earlier but, for completeness, it's Australian Dairy Products Federation. Our understanding is that they've met a number of times since the last estimates. They do have a revised policy position. I would encourage you and other parliamentarians to write to that products federation and seek their new policy position. I think it is a positive development, but I do believe it is their policy to express and report back to you.

Senator CICCONE: I know you said you would like to, but I'm trying to understand the practicalities here.

Dr Nation: Our sense is we are making positive progress. It's slower than we would have wanted. As we reported last time, we had really sought for this to be resolved before farmers had a say in the farmer levy poll. It wasn't. I think there's a high-level awareness amongst farmers and amongst processors that it is time to resolve this. I do encourage you to seek their policy position. I think it is a positive development. We do look forward to, at the next estimates, if this question's asked again, having a much more positive breakthrough.

Senator CICCONE: I'm sure there will be many estimates, don't worry about that, and many questions. In dollar terms what is the amount of financial contributions you regard as an appropriate amount for the processors to pay?

Dr Nation: Our sense of, if you like, the core activities that Dairy Australia does that benefit the whole supply chain, where we see relatively equal benefit for farmers and processors, is of the order of \$5 million a year. Our

negotiations with processors are on the basis of what is an appropriate cost-sharing basis for that level of investment that Dairy Australia undertakes.

Senator CICCONE: I note, for instance, in the previous financial year levy payers contributed around \$32 million. From what you're saying, you'd like them to make a contribution but not the same amount?

Mr Mann: That is correct. I think most of what we spend is looking at farmers and productivity, whereas the industry good stuff is away from that.

Dr Nation: As an organisation we've always been designed primarily as an R&D corporation to invest to improve the productivity and sustainability of dairy farming businesses, with dairy farmers paying the levy. It's always been held that there is a value to dairy farmers in the activities we do above and beyond research and development, areas like sustainability, areas like trade development and support, and areas like market insights that really help farmers to make better business decisions. But it's always recognised that it enables the whole supply chain to make better decisions. It's really that portion of our business that we're talking about over our investment that we see as a live debate about the relative contributions of farmers and processors.

Senator CICCONE: That's sort of my interest, the supply chain. It's not just the farmer; it's also the supply chain. At the end of the day, the industry benefits from the R&D work that Dairy Australia produces. I think everyone in the supply chain probably should cough up and make a contribution, their fair share. I think that's all dairy farmers are asking for. How would you characterise the nature of your discussions with the Dairy Products Federation to date?

Dr Nation: I'm happy to answer that if you'd like, James. I think it's fair to say that we all understand that we need to bring this to resolution. I know on our part we've had multiple opportunities now to progress this forward. As I'm describing, I do believe it is their news and it is for them to announce what decisions they make, but I know you mentioned earlier that some milk processors are making really clear, positive statements on their own. One was mentioned earlier. Clearly we would have loved to come here today and say this is a resolved matter, Senator. I really do believe we are now getting very close to processors making positive statements on this matter.

Senator CICCONE: It's good to see some processors are. Obviously the ADPF isn't. Are there any particular issues that we should be aware of for why it's taking them such a long time to get to where they are in dealing with you, your organisation and its members?

Dr Nation: My sense is that this is seen as a significant change for processors. There's a long history of farmers paying levies. This is a significant decision for how processors might contribute and on what basis, and how that might be an enduring basis rather than us having a temporary conversation about the matter.

Senator CICCONE: Have you given any consideration to how government can play a role? I'm not talking about trying to reintroduce regulation here, but how government might be able to make some changes, whether it's tweaking the relevant legislative instrument or participating in some of the discussions. Have you had any consideration to that point?

Dr Nation: Our sense is that, for example, if a levy mechanism is the chosen mechanism, so that farmers pay a levy and processors pay a levy, the levy mechanism is very well set out by the department. The most important thing a government of the day that considers this could do is to follow that levy process but also expedite it wherever possible. If the processors demonstrate their willingness to pay a levy then, clearly, what would be advantageous is for that to move as quickly as possible through all of the steps of constructing a levy and getting to a point where, if a levy path is chosen, farmers and processors feel like there's a degree of equity and fairness in both paying a levy in fair terms.

Senator CICCONE: Would you like to see changes to the relative legislative or regulatory frameworks to enable you, when you do engage in such discussions, greater ability to compel the processors to cooperate with you.

Dr Nation: Again, the levy process is really clear and set out by the department. It is based on bringing an industry together and an industry committing to paying a levy. I think we're well on the road to success in that space. I see that as a superior outcome because that's enduring, and that's the industry committing to the ongoing success of the industry and committing to following a well laid out, well trodden path for establishing an industry-driven levy. For me, that's the way the conversation has always been framed in this matter. I think that is the best path to an enduring arrangement that works for both farmers and processors.

Senator CICCONE: I note in this committee's report from the performance of Australia's dairy industry inquiry that recommendation 2 was:

... that the government amend the Primary Industries (Excise) Levies Act 1999 to require processors to pay a levy to fund Dairy Australia.

Government noted this recommendation and stated in its response that it would consider any levy proposal put forward by industry members. Have you had a chance or thought about putting forward a proposal?

Dr Nation: I think that refers to processors putting a proposal together. That's our interpretation of that recommendation.

Senator CICCONE: I don't know if the department has any updates on that recommendation or not. If the secretary or one of his officers were able to enlighten me and the committee, I'd much appreciate it.

Ms Deininger: In relation to the recommendation, I don't have the exact wording but the discussion's correct. It would be up to industry. If there were to be a change in the levy it would be up to the industry, not Dairy Australia, to say that they would like the government to legislate a levy. That's what we're seeking to enunciate, if you like, through that recommendation and that response.

Senator CICCONE: Are you aware of anyone in the industry to date approaching the government?

Ms Deininger: I'm not aware of any proposal.

Senator CICCONE: Alright. I'll turn to the Australian Dairy Plan. The expected growth in milk outcome is three per cent per year over the plan period—so I think one per cent once fully implemented—yet, since its implementation, we've seen a decline. Is that a bit of a concern from your end, or have you got any concerns about that decline?

Dr Nation: That's another really timely question in terms of where the industry sees itself and also, I think, an interesting example of foresight from an industry perspective, because the Australian Dairy Plan makes really clear that it's not focused on: 'What is the growth outcome in the industry?' There are three primary things that the industry needs to do to be really successful. It needs to have profitability, up and down the supply chain; it needs to have confidence in itself and the future of the industry; and it needs to be able to address the big issues of the day with a sense of unity. All of the key measures of the Dairy Plan are about profit, confidence and unity. Then what happened after that is that we asked our market insights team to say: 'If you reach those thresholds of profit, if you reach those thresholds of confidence and if the industry works with unity, what growth is possible in the industry?' The market insights team at that time foresaw that a profitable, confident and united industry would grow in the order of three per cent, as you describe.

Here is our challenge, which is an amazing challenge of our times. The industry has clearly been demonstrated to be profitable. The last time we measured confidence was last February, and it was recovering remarkably well. We, as an industry, clearly still have work to do on unity. But in general the industry is looking at another profitable year, though probably not as profitable as last year. Agriculture in general is growing; agriculture in general is successful. And the big challenge for the dairy industry is: 'What is our part of that success, versus alternative agricultural uses on dairy land?'—particularly beef and lamb, as relevant examples.

Senator CICCONE: What have you learned from the previous two years of the plan's operations? Has it informed future service delivery?

Dr Nation: We very much see the Australian Dairy Plan as a plan we are working to. We still see it as a plan that brings the major parts of the industry together—the leading farming and processing organisations, Dairy Australia and the Gardiner foundation. We still very much see it and report on it and work together to look at the five commitments made in the plan and work across the five years of the plan to achieve them. Clearly, four of the five commitments are progressing well, and the first commitment, which is about industry structures and working better together as a whole industry, is the lagging commitment that requires significant work across all lead dairy industry organisations.

Senator CICCONE: Given COVID, has there been any negative impact on the progress of trade agreements or any trade issues that you're aware of?

Dr Nation: Maybe I will swap roles with my colleague so that he can answer that question.

Mr McElhone: In terms of the impact of COVID on trade agreements, in terms of negative impact: there's none that I could speak to. Obviously, there has been a key focus on the India trade agreement over the last week. Clearly, the dairy industry was disappointed about the position and the outcome in relation to dairy, but, in saying that, we recognise the heightened sensitivity from the Indian dairy industry about dairy within that agreement. But, in terms of the operations and how those negotiations are playing out in this environment, there are no negatives to speak of, from a perspective of our engagement with government and through that whole process. Obviously, it's more clunky, with shutdowns and the lack of travel and the inability to get there in person, but it is still operating efficiently.

Senator CICCONE: Thank you. I'll end on this one—sorry, Chair, there was one last one—what changes have you made or are you making to ensure that levy payers are abreast of the work that you do and feel as though they are securing value for money from the organisation's work? I guess it's been an ongoing issue that comes up, to make sure that they feel the work your organisation does, which is good work, gives them bang for buck.

Mr Mann: It's the continuing conundrum we have. We do lots of productivity stuff and on-farm stuff, and, as a farmer, that interests me and I'm excited by it and am happy to talk about it. When we deal in the regions, through the RDP network or through the state dairy farmer organisations, farmers enjoy that side of it. When we start talking about trade and social licence and market insights and things that are slightly drier, quite a lot of farmers aren't as keen as they are on the farm gate stuff. So we continue to have those conversations wherever we can.

David, myself, the rest of the leadership team and other members of the board have just completed probably 80 meetings in the last seven or eight weeks, since COVID has allowed us to be back out in the regions. It's great to have engagement with farmers face to face. We continue to have a conversation with them about what we do but also about what they're asking us to do more of.

Senator MIRABELLA: The topic looming large today is the discussion of lumpy skin disease. How widely understood is that throughout the farming community and was that a factor in your poll? I say that because at some point you might need some more money.

Mr Mann: I suspect for the duration of the poll it probably hasn't been top of mind in the dairy communities.

Dr Nation: The reality of the poll is it opened on 24 February and closed last week, and for the majority of that time I don't think anyone was talking about lumpy skin disease in general conversation with farmers. I think you're right; this is a topic that's come very late in the day, and it's going to be real and will require resources from livestock industries.

CHAIR: Thank you very much for coming to give evidence today. I'm really heartened by the sense of optimism in parts of Queensland, which I know is not normally the focus of the dairy industry. It is great to see some of the operators investing again in their properties and in technology, like automated milking, and we're seeing prices improve a little. So congratulations on the work you're doing for investment into the productivity of the industry. I share Senator Ciccone's views on the manufacturing side committing to levies, but, coming out of the beef industry, I also know that is a long path, so good luck with that. Thank you for your time today. I look forward to seeing you at the next estimates, in person.

Meat & Livestock Australia

[15:43]

CHAIR: Welcome. It seems like just yesterday I saw you all in Darwin.

Mr Beckett: I was going to say the same thing.

CHAIR: Thank you for being here. Do you wish to make an opening statement?

Mr Beckett: Thanks, Chair. I was just going to share with the committee that we did go to the regions two weeks ago to hold our board meeting, you'll be pleased to hear. It was an opportunity for the nonproducers on the board to see what goes on and to talk to stakeholders. We had a board meeting there, we went and had four site visits out of Darwin, and then we attended the Northern Territory Cattlemen's Association's function. I think the nonproducers—well, all of us—found it really beneficial, something worthwhile.

Finally, I'd like to acknowledge the death of one of our former colleagues, Paul Troja, in the tragic helicopter crash in Victoria. It was very sad news.

CHAIR: Terrifically sad, yes. Thank you for that acknowledgement.

Senator CICCONE: Just on that, I know that Mr Troja worked very hard for the process organisations, the MLA, and Australian meat and livestock. It was very tragic news to see that unfold when it became apparent who was on that helicopter. I just wanted to express my condolences, and I hope that you and your members in the organisation are doing alright after that very sad and shocking news.

Mr Beckett: Thanks, Senator.

CHAIR: Thank you, Senator Ciccone. Senator Roberts, I know you've been waiting patiently.

Senator ROBERTS: Thank you, Chair, and thank you for attending. May I start by complimenting Meat & Livestock Australia on their Australia Day TV advertisement. I loved it.

This is my first question. Mr Strong, in your letter to me, dated 27 October 2021, you acknowledged that the data I quoted at the last Senate estimates from a report published on the CSIRO website titled 'Australian cattle herd: a new perspective on structure, performance and production', dated 2021, was correctly quoted. I thank you for that and accept that Meat & Livestock Australia consider the figure I used is higher than what you would use. The lead author of that report, Dr Geoffrey Fordyce, works for Meat & Livestock Australia on your NB2 herd pillar feed base program. Is that correct?

Mr Strong: He certainly has. I'm not sure if he's currently contracted, but certainly he has worked with us, yes.

Senator ROBERTS: So my decision to use the data that I used was logical, then, wasn't it?

Mr Strong: Partially, yes.

Senator ROBERTS: Thank you. I want to turn to the Meat & Livestock Australia Strategic Plan 2025. You're familiar with that. On page 4—these are your own words, Mr Strong—it says:

With a new whole-of-industry strategic plan in place, *Red Meat 2030*—

that's the name of your plan—

there is an opportunity for MLA to drive transformational change. We have to find ways to support the industry to deliver on its ambitious vision of doubling the value of red meat sales.

Could you please specify what percentage of this 100 per cent increase in sales revenue will come from price rises and what percentage will come from sales volume increases.

Mr Strong: The *Red Meat 2030* plan is actually the industry plan that was put together by RMAC. It's a 10-year plan that the industry collectively put together. Our five-year plan then fits in behind that. We've adopted the same overarching goal and the six pillars—

Senator ROBERTS: That's your MLA—

Mr Strong: That's our five-year plan. It draws on the *Red Meat 2030* plan, which is the broader industry plan. It doesn't specify what component of that growth comes from price or volume. Speaking from opinion, having been involved in that process, the setting of that target was being ambitious for the future of the industry in creating and capturing value but also making sure that we weren't, as an industry, limited to price or volume. The industry, collectively, has over the last 30 years invested in a significant range of activities—not just with Meat & Livestock Australia and our R&D and marketing but with a range of other activities as well—for us to produce a higher quality, more consistent, traceable and guaranteed product but also to take advantage of or participate in the preferential market access that we have available to us. So there are opportunities for us to increase productivity, but there are also opportunities for us to create and capture more value in higher quality products where we have preferential access to high-quality markets. So it's a combination of both.

Senator ROBERTS: Pardon me, but it sounds like waffle. Who are you trying to convince here? The farmers, the producers, need to have some kind of faith in what you're leading and yet you're telling me now that it's just an ambitious plan with no limit on price or volume. Surely this has all been modelled.

Mr Strong: There are a number of things sitting behind it, but I think it's quite the opposite to waffle. It's providing opportunity in multiple areas rather than restricting it to one.

Senator ROBERTS: Hang on. Opportunity comes from knowing something about it. What you're saying here is: 'We haven't done this. It's an opportunity because it hasn't been modelled.'

Mr Strong: The opportunity comes from the investments that the broader industry has made over the last 20 or 30 years in having a consistent, quality, traceable product—with a quality assurance program behind it—that is being sold at higher prices into markets where we now have preferential access.

Senator ROBERTS: I accept that, but you're still talking very generally. To double the value of red meat sales you need to double the price if the herd stays flat.

Mr Strong: If the volume stays the same. The volume can increase if the herd stays the same size. You can have increased carcase weight or increased productivity.

Senator ROBERTS: Yes, 13 per cent is your increased carcase weight. There doesn't seem to be any real meat in this.

Mr Strong: There's an outcomes report that actually lays out some of the progress that has already been made. Look at something like Meat Standards Australia, which is the eating quality program. Last year it added \$158 million in value to farmgate revenue for producers and over the last 10 years it has created more than \$1 billion in value at the farmgate. We can share with you the extension adoption report, which does list some very specific

areas, like Meat Standards Australia, like the Profitable Grazing Systems program and the Producer Demonstration Sites program, which have quantified increases in farmgate value and also increases on a per hectare basis of benefit to producers of adopting the things that the industry has invested in.

Senator ROBERTS: Okay, I'll accept that, if you'd like to send us that. The fundamental figure though is 100 per cent increase in value with flat herd size.

Mr Strong: No, it's not, Senator. There's nothing about a flat herd size. It is doubling the value of red meat sales over a 10-year period.

Senator ROBERTS: In the last Senate estimates we had a difference of opinion on the direction of herd numbers, and we've still got that.

Mr Strong: Yes.

Senator ROBERTS: I maintained that the only way to meet net zero carbon dioxide targets—and why you'd want to meet that is beyond me, because no-one has given me any proof—under Meat & Livestock Australia's CN30 program, the Carbon Neutral by 2030 program, is to hold herd numbers at the historically low numbers experienced during the recent drought. In reply you said:

We are very aware that there have been discussions that things like the carbon neutral goal are reliant on limiting livestock numbers or reducing production or profitability, and we completely reject those.

I thank you for your answer on notice regarding herd numbers and I now reference a document you sent me—a Meat & Livestock Australia publication titled 'Industry projections 2021: Australian cattle—July update'. On page 4 there are herd numbers. Herd size, slaughter and production are all flat—and, arguably, slightly decreasing in the last few years—across the period indicated, from 2000 to 2023, and down from their peak in this period. Am I reading that right?

Mr Strong: You may be, Senator, but I don't have that one in front of me. What I can do is provide you with the updated projections from earlier this year, which show the projected increase in production and outputs, so increases in herd size and increases in productivity. We can provide that to you.

Senator ROBERTS: Yes, if you could, please.

Mr Strong: We can certainly do that.

Senator ROBERTS: Coming back to what you raised earlier on, in the bottom graph carcass weights are showing an increase of 13 per cent. This does in part reflect the work done by Meat & Livestock Australia on genetics, feedbase and transport. Is that correct?

Mr Strong: In part, yes.

Senator ROBERTS: Only in part? There are other factors involved?

Mr Strong: Yes—like producers' willingness to adopt new technologies. But I think part of the increase in carcass weight comes from the increase in turn-off through the feedlot sector. An increased number of animals have come through the feedlot sector as a finishing mechanism in the last year or two. That also contributes to an increase in carcass weight.

Senator ROBERTS: Either way, it's a good job because 13 per cent is a significant increase in productivity and profitability.

Mr Strong: Correct.

Senator ROBERTS: Page 2 of this report says the average herd number for cattle from 2016 to 2021, which included a substantial drought influence, was 26,619. The best year was 2018, at 28,052. Meat & Livestock Australia's projections are 27,223 for 2022 and 28,039 for 2023. This is down from the CSIRO's figure of 30 million to 40 million before the drought, which was the point I was making in the last Senate estimates.

Even if the CSIRO figure is higher than you would accept, I fail to see an increase here in these figures. And I'm still trying to see where the increase in the herd numbers component of the 100 per cent increase in red meat production is coming from. Is it true that, unless the herd numbers recover to around 30 million, Meat & Livestock Australia are projecting a permanent reduction in the Australian herd?

Mr Strong: No, it's not. The paper you're referencing is not a CSIRO paper. Dr Fordyce is the lead author and he's previously worked with CSIRO. It was present on their publication site but it's not a formal CSIRO paper. But that's an aside.

Senator ROBERTS: But he did work for you?

Mr Strong: Absolutely. And he still does work in a range of different areas. He's been a very prominent researcher with the Queensland Department of Primary Industries in northern Australia and has done quite a bit of work with MLA and our predecessors over the years.

Senator ROBERTS: So he's pretty competent?

Mr Strong: That doesn't mean we have to agree on everything, though, does it? We could also quote other papers—

Senator ROBERTS: No. But, if he's competent, there's got to be a reason for not agreeing.

Mr Strong: Certainly. But other papers that have been produced by independent analysts say the herd's even smaller than what we project.

Senator ROBERTS: Even smaller?

Mr Strong: Yes. Those papers are by private commercial analysts. They are widely read and get quoted to us as much or more than this paper does. But the herd size isn't the only driver of productivity. As you said, it's about being able to increase carcass weights, increase value and increase productivity. One of the things that Dr Fordyce has been involved with is the NB2 program that you mentioned. The ability to increase cows in calf, decrease cow mortality, increase calves that survive and increase weaning weight in reasonably modest levels—a decrease in cow mortality by a couple of per cent, an increase in fertility by a couple of per cent and a 10-kilo increase in weaning weight—has a material impact on northern productivity not just in numbers but also in value. The herd size is an important number to help us with our planning and projections when we look at a range of things; but it's only one of the contributors to productivity, profitability and how we get to a doubling of value for the red meat sector.

Senator ROBERTS: Looking at agricultural producers, whether it be livestock or crops, there's certainly a huge increase and improvement in the use of science to guide it. That's become a wonderful productivity improvement tool. But it still comes back to basic arithmetic. If herd numbers are not growing, after allowing for improved carcass weights, the only way to increase the value of red meat production by 100 per cent, after allowing for the 13 per cent carcass weight increase, is for price increases of 87 per cent.

Mr Strong: No, it's not. Chairman Beckett mentioned our trip to Darwin two weeks ago. One of the great things we heard about there was the use of knowledge that's been gained over the last 10 or 20 years by the industry. There were a couple of fantastic examples of the use of phosphorus as a supplement in phosphorus-deficient country. For the same cow herd size, there was a halving in cow mortality and a 30 per cent increase in weaning rates. Herd size is not the only way to increase productivity. When you think about ways to make significant improvements in productivity, it actually becomes a minor factor. Being able to produce more from what we have, regardless of what we have, and creating and capturing more value from that is much more important than the herd size.

Senator ROBERTS: I accept that it's a laudable goal to increase the productivity, capturing more from what you have.

Mr Strong: Yes.

Senator ROBERTS: So, if herd sizes stay flat, are you able to provide me with the breakdown of where the 100 per cent increase in red meat value will come from?

Mr Strong: We can provide you with some.

CHAIR: Senator Roberts, I've got questions on this. Perhaps, if you stick around, we can talk about it.

Senator ROBERTS: Good. I've only got two more questions. Can you provide that breakdown?

Mr Strong: We can provide some. As I say, that's an industry broader 10-year goal. In our five-year plan we've laid out a range of areas that we're investing in, so we can certainly provide you with a range of activities that are currently underway. And, like I mentioned before, the outcomes report will give you some evidence of where that progress has already been shown.

Senator ROBERTS: Just to summarise, I'm concerned—and hopefully your figures will alleviate that concern—that what you're relying upon is a huge increase in price, which will hurt the consumer. The second thing I'm concerned about is why this is being done. Let's listen to the chair's questions and let's get the figures from you.

My last two questions: I acknowledge from your letter that there's been a reduction in carbon dioxide production of 53 per cent since 2000 by the Australian red meat industry. Again, there's never been any evidence produced that carbon dioxide needs to be cut from human activity. This has been driven by measures that are now

in place. How will you get the other 47 per cent, other than calling the permanent herd reduction numbers a net zero measure?

Mr Strong: There are a range of things already underway and a couple we can point to straightaway including feed supplements. There are two good examples of that.

Senator ROBERTS: Changing the nature of feed supplements?

Mr Strong: No, additional feed supplements that will go into a ration, for example. The red asparagopsis seaweed product has demonstrated to reduce the production of methane by more than 90 per cent. There's also a synthetic version of the same type of component, which so far has demonstrated the same type of effect. So feed supplements are certainly a key opportunity in reducing the amount of methane being produced.

One of the other areas relates to things we've just been talking about, which is increasing productivity from the herd that we have through improved genetics, improved productivity through the things we were just talking about. So there are a number of areas in addition to a stable herd which are already largely proven and underway. We're only a couple of years into the path to 2030.

Senator ROBERTS: WWF in America has been on a concerted campaign to kill the beef industry. The same organisation is doing the same here in this country, and cattle graziers have told me that. So there's a lot of pressure on the beef industry, its very existence, for political reasons, not economic or scientific reasons. Do you, as the MLA, just accept the mantra that we need to cut the carbon dioxide produced by humans or human activity, or do you actually have scientific justification for accepting that?

Mr Strong: It's not our position to enter into that discussion.

Senator ROBERTS: So you accept it.

Mr Strong: It's not the environment to have a position either way. This is an industry goal, which is ambitious, but what's really important is that we don't think about CN30 in the absence of profitability, productivity and intergeneration sustainability. There's nothing that we're doing or investing in that doesn't have a lens on profitability or productivity of the industry at the same time as thinking about its impact on the environment.

Senator ROBERTS: I would beg to differ. It seems to me that you need to have a sound rationale for why you're doing these things and I have yet to see any proof of that. Feeding seaweed to cattle, feed supplements: surely there's cost in there. You're asking farmers to change their practices which could increase costs further. It seems like the doomsayers that have been hitting our electricity sector, our transport sector, our regulatory sector are now hitting our agriculture sector in many, many ways.

CHAIR: Is that a question, Senator Roberts?

Senator ROBERTS: No, that's a statement.

CHAIR: Terrific. A good note to finish on. Let's talk about what the beef industry is doing. I'm yet to see a farmer spend a dollar on anything that doesn't add to the bottom line, so I want to talk about some of the projects I'm seeing developed out of JCU. Senator Roberts just mentioned the seaweed one. Let's start with that. That research project, I think, has now been taken up by people down in your neck of the woods, Minister, down in the great state of Tasmania. That program is expected to lift production carcass weight fairly significantly. Do you want to talk about that project?

Mr Strong: Thank you, Senator. The research to test the effectiveness of red *Asparagopsis* to reduce methane was conducted between JCU—a northern university—CSIRO and MLA, and it's been licensed to FutureFeed, the commercialiser of that technology. The initial driver was demonstrating the ability to reduce methane, but one of the side impacts was an increase in productivity in a number of the trials. So that's now being tested in larger commercial trials—the further validation of being able to reduce methane but also looking at the further production impacts. The two things which had been focused on were increasing growth rate or performance and, as part of that, improving feed efficiency.

CHAIR: Okay. Another trial that's been operating in the northern beef herds is about increasing fertility and reducing your number of empties. When you talk about managing herd numbers, it might be managing out animals that aren't productive and replacing them, selecting for females that are productive. Is that a project that you've been involved in with the northern herd?

Mr Strong: Certainly it is. Part of the productivity assessments of the herds in the NB2 project—the Northern Breeding Business project, which is the one I mentioned before—also allows those groups to look at other performance characteristics or activities: how it will actually drive increased performance within their herds. That's getting greater productivity out of the livestock they have and making decisions about ones that aren't

productive as well. So it's absolutely about making sure that we get more from what we have and make decisions about the ones who aren't performing better.

CHAIR: That's two examples of productivity increases without significant cost. I'm excited about what's happening in the beef industry. Whilst prices are high, they're better than the terrible below-cost-of-production situation that we had until relatively recently, and I hope we don't ever return to that. In the work that you're doing, how much engagement are you having with the department on biosecurity issues like lumpy skin and lobbying to see if there can be production of vaccines or mRNA technology in Australia? Is that something that the MLA is engaged with?

Mr Strong: We're obviously not involved in any of the lobbying.

CHAIR: Not lobbying. I'm sorry. That was a terrible word to use. Exactly. You don't lobby.

Unidentified speaker: Advocating.

Mr Strong: We have been closely involved in those discussions, particularly in the last couple of weeks. One of the advantages of being in Darwin with the board recently was being able to see the Berrimah scientific precinct, which the Northern Territory department has developed. They have some fantastic facilities there, which are, in many cases, frontline activities, with the ability to do monitoring. Obviously, the effectiveness of that monitoring is reliant on other decisions being made on access to information on the virus and the decisions that need to be made by the department and others. We've also engaged directly with industry organisations but also parts of the department to ensure that we're across where the current situation is with lumpy skin disease but also making sure that, if there's anything that we can do in our supporting capacity, we are doing that. So at the moment it's very much about communication, filling gaps as far as available information is concerned, and making sure we're available to respond to any of those shortfalls.

CHAIR: Senator Ciccone is just asking some questions of the dairy industry, and it prompted me to think about the whole-of-industry supply chains. One of the greatest challenges for agricultural businesses is the terrible seesawing of where the profit margin sits within the chain. Is there any work in progress being done on supply chain transparency of costs and prices? I am reflecting on the challenges with the cattle train business at the moment, with the rise in locking the loading ramps on the western lines. How appalling is that? That's public-use infrastructure. But what sort of work is being considered or could be considered around supply chains for the beef industry, the red meat industry?

Mr Strong: There are a number of projects that we are involved with that include multiple participants in the supply chain. Directly related to this lumpy skin disease issue, the red meat sector over time has had some challenged relationships up and down the supply chain. I think we have seen an incredible level of maturity on that in recent years. As late as this week, specifically around this discussion, as the industry support organisation rep, I was an observer on a conversation that involved the whole supply chain about preparedness, need and action in the space. It was an incredibly sensible, collaborative, inclusive conversation involving the whole supply chain about the importance of understanding and being prepared and how collectively we can make sure we are in the best shape we can be and what steps to take going forward. That's not something I think we would have seen five or 10 years ago. It is a real credit to the industry leaders that they are prepared to work together on these types of issues. It is a good demonstration of the capability of getting in front of some of these things as well as we can.

CHAIR: That's very heartening.

Senator DAVEY: I have a few questions. Thank you for attending today. Can you give us a brief overview of the MLA's current market access and diversification strategy.

Mr Strong: Our current market access or current market support activities are pretty broad. If you think about resources, we have resources in 15 countries. We have regional offices in eight. We have about 45 staff overseas that provide support for exporters and importers—Australian importers going into those markets and customers in those markets connecting back to Australian supply chains. That group has done quite a bit of work in the last couple of years to develop more consistent and very focused programs in the way that we work with our exporters, particularly in the way that we support them.

On the market access side, we have a small team that work very closely with the department and the industry in a support capacity around market access issues and opportunities. They are very closely connected. I think they are a key knowledge source, particularly in the market access discussions. So something like the UK FTA, which was an incredibly big success for the government and department, was a big component of work for our market access team in supporting the department and government in that process. So we are certainly focused on supporting current activities in the best way we can, helping the relationships on both sides, both from here with

information but also in the markets and then, from the market access point of view, connecting the market access team with industry and government.

Senator DAVEY: You mentioned the UK FTA, which was a huge success. We've recently had the announcement of the Australia-India free trade agreement. Did the MLA make a submission into that process?

Mr Strong: We did, yes. Our staff member who heads up the market division for us was quite involved in that process. It was great to see the outcome for the sheepmeat sector, with the immediate reduction of the 30 per cent tariff on sheepmeat going into India being a fantastic result.

Senator DAVEY: So that's an immediate reduction?

Mr Strong: Yes.

Senator DAVEY: That's very handy. How much sheepmeat do we currently export to India?

Mr Strong: I don't know, Senator, but not a lot at the moment. I'll find out and get back to you.

Senator DAVEY: But it will be more after this?

Mr Strong: Absolutely, yes. There's a lot of excitement from our sheepmeat exporters about that, and particularly the tariff-free access. That's very important. It's not just access but tariff-free access.

Senator DAVEY: So it's tariff free?

Mr Strong: Correct.

Senator DAVEY: My understanding as well is that our current focus for exports to India has been to sell five-star, top-quality product. Do you think that post this agreement you will work on expanding the market size and access by opening markets for other grades of a sheepmeat in India?

Mr Strong: It's a good example of the limitations, where we have reasonably high tariff rates, of the value you have to capture for product that goes into those markets. Going into those high-end components, high-end food service, allows the exporters to capture enough margin to cover their cost. Going into a market tariff-free certainly opens up other opportunities, but it will definitely depend on available supply and the willingness or level of excitement from our exporters to build supply chain relationships into other channels in the market. That's certainly something that we might put together some market information on, for example, but it's certainly not something where we would try to build or create that environment, unless there was support from exporters here in Australia.

Senator DAVEY: Are there any other opportunities within this India free trade agreement for our sheepmeat producers?

Mr Strong: That remains to be seen. I think the initial success of that tariff reduction is certainly one that allows us to build on it.

Senator DAVEY: Thank you, Chair.

Senator CICCONE: I've been reading with some alarm about the prospect of lumpy skin disease. Some of the images I've seen are horrific and give you all sorts of goosebumps.

CHAIR: Pardon the pun!

Senator CICCONE: I'm glad you found it funny. Should this disease arrive, what impact do you anticipate it might have on the red meat industry, on a serious more note?

Mr Strong: Yes, it is a much more serious note. The discussion over the last few weeks in particular, as this issue has escalated, highlights a couple of things. It's really important in this sort of environment for us to be prepared and well prepared. The evidence over many years in this space says that Australia is very good at that—we're very good at being prepared—but it's also trying to do it in the context of not panicking. The potential impacts, if we had an outbreak of something like lumpy skin disease, would be quite significant. The reason why it's quite significant is that we export 75 per cent of our beef and 75 per cent of sheepmeat. We export it to a whole range of countries, and we've already had discussions about creating and capturing more value, preferential market, higher-quality markets. We go to a lot of markets where we're given the opportunity to create and capture more value. We are exposed to a lot of markets, and a lot of those markets have high levels of requirements. As it sits today, if we had an outbreak of something like lumpy skin disease, the impact would be significant and would restrict our access to a large proportion of our markets. There are a lot of ifs that sit behind that. What that does is highlight a key component of our preparedness in, firstly, how we prevent it from getting here, and then how we prepare to manage it in a way that not only allows us to respond in the quickest possible way but also allows us to protect or recover in our markets as quickly as possible.

Senator CICCONE: Have you conducted any specific modelling to assess the potential financial impact?

Mr Strong: Only at a very high level and looking at the number of markets, potentially, that would be impacted.

Senator CICCONE: What would the impact be?

Mr Strong: It would be significant.

Senator CICCONE: Have you got a dollar figure?

Mr Strong: Not a dollar figure, but it would be a significant percentage of our markets.

Senator CICCONE: So you can't share any more concrete figures with us?

Mr Strong: I am being deliberately cautious because I think we've got to be careful we don't create an unreasonable discussion around this, when there are a lot of decisions and actions between here and that potentially happening.

Senator CICCONE: Is it unreasonable for us to talk about this in anticipation—if it were to come? Shouldn't we be planning to protect the industry?

Mr Strong: Absolutely, and we are. And the industry's in that right at the moment, but it's early days as well. The industry is very focused on pulling this information together. So, at first pass, it's a large percentage of our markets. The second, much more detailed pass is exactly how each of those markets will be impacted, whether any would be more or less likely to be impacted than others and the potential value of those markets. So it's very early days for that.

Senator CICCONE: What planning have you done to prepare for this prospect?

Mr Strong: The planning that's done specifically for this relates to the industry planning for any incursion. Whether it's lumpy skin disease or something else, the same approach applies: how do we be best prepared for what we understand about the potential risk and then how will we manage that with the market? The challenge of this is not a new thing for agriculture and particularly not the red meat sector. This is just the latest of the threats that we need to respond to.

Senator CICCONE: How do you characterise our biosecurity regime? Do you think it's strong enough to withstand or deal with lumpy skin disease?

Mr Strong: It's not a judgement that we should be making. But what I can say is that our industry and our government and our departments are incredibly focused on biosecurity, and it's recognised around the world as one of the best—and, in many cases, the best—programs that exist. The amount of discussion in this space in the last couple of weeks, last week particularly, really does highlight the level of awareness, the level of preparedness, the willingness of people to engage on making sure that we are as well prepared and able to respond as we possibly can be.

Senator CICCONE: Just on that note, the National Farmers Federation has been quite vocal since the budget, saying that there was 'insufficient investment to address imminent biosecurity threats', particularly about lumpy skin disease. They're the peak body for agriculture and farming in this country, and they're raising concerns. Does that not alarm you?

Mr Strong: I don't have a view on it either way. What we're very—

Senator CICCONE: About the disease or about the NFF's position?

Mr Strong: About the comments and the positioning around that specific funding. What we're trying to focus on is where the gaps are and where the information is that we could potentially help or add to that would better support the decisions and discussions in this space. We certainly don't want to—

Senator CICCONE: But they represent a number of organisations that would, obviously, make contact with your organisation.

Senator MIRABELLA: Senator Ciccone, you might not be aware, but these topics have been well canvassed today already with the Inspector-General of Biosecurity.

Senator CICCONE: I am aware, but, obviously, my questions are to Meat & Livestock Australia. I'm interested to know what their attitude is towards this very serious issue. We understand that we don't want to get ahead of ourselves, but at the same time we can't ignore the fact that it is on our doorstep.

Mr Strong: Absolutely. I don't think you would have any of that concern if you talked to the red meat sector about the level of focus on and awareness of the challenge, and the willingness to work with whoever necessary to make sure that we're as well prepared as we can be. Our role, very specifically, is in supporting that process. We obviously can't get involved in policy. It is not our role to have a position on—

Senator CICCONE: I'm aware of that.

Mr Strong: whether these things have the right resources or not. We want to leave those discussions to the side and make sure that we're as available as we can be and that we engage with the right participants in that process to be as supportive as we can. As I mentioned, we've sat in on those industry meetings and made sure that it was very clear that we're available to help however we can. We've also contacted the department specifically and asked if there's anything that we can be doing in addition, within the restrictions that we have as an RDC, and we'll continue to take that approach.

Senator CICCONE: I guess my core focus is preparedness. What are you doing to support industry and government to get ready should the disease come to our shores?

Mr Strong: At the moment, there's not a lot we can actually do. Our core functions are R&D and marketing. Most of the roles and responsibilities around ramping up activity in this space sit with others. We're just making sure that, if they need support that we can provide, we're available to do that.

Senator CICCONE: I'm still intrigued why you're not able to share with us what the impact would be.

Mr Strong: I just don't think we have enough detail on it.

Senator CICCONE: Do you not have data, or are you not prepared to share that data with us?

Mr Strong: It's a bit of both. To start with, it's only high-level data—

Senator CICCONE: So why not share that with us?

Mr Strong: I would hate to put a stake in the ground at the moment and for that to become the number that gets quoted, when we know more needs to sit behind that. I'm more than happy to provide that to the committee as that gets more substance behind it.

Senator CICCONE: If you could, I'd appreciate that. Chair, I'll leave it there.

CHAIR: Thanks, Senator Ciccone. I would recommend a discussion with the chief inspector for biosecurity. It was his last estimates today. We had a really good discussion about biosecurity efforts in regard to—

Senator CICCONE: I heard it.

CHAIR: Great, you heard that.

Senator CICCONE: Unfortunately, the National Farmers Federation was at the conference earlier on too. There's a lot going on here in Canberra about ag. It's a great industry.

CHAIR: Fantastic. We all wish we could be off at conferences—

Senator CICCONE: Some of us have to go out there and talk to farmers.

CHAIR: I'll leave that one right alone!

Proceedings suspended from 16:26 to 16:40

Australian Wool Innovation Limited

CHAIR: Welcome. Do you have an opening statement to make?

Mr Laurie: Thank you, Chair. First of all I'd just like to notify the committee that John Roberts has taken over the—

CHAIR: We seem to have lost Mr Laurie. Mr Roberts, perhaps you could take over while Mr Laurie sorts out his connectivity issues.

Mr Roberts: Thank you, Chair. As the chairman alluded to, I have been appointed to the role of permanent CEO, which was instated a couple of weeks ago. I feel very privileged and honoured to take on that mantle and serve the company and woolgrowers as best I can. That's the first thing. In terms of other priorities at the moment, the industry itself is in reasonably good shape in terms of demand. Unfortunately some of that demand is being stymied by heavy logistical issues, primarily in the ports of Shanghai, but shipping globally is a problem, and a lot of our exporters are faced with funding a lot of inventory, with orders they've already committed to but are not able to receive payment simply by virtue of the fact that they can't get the wool on a ship. So, that's an issue the industry is facing.

In terms of other priorities for us at the moment, we're focusing now on writing our next strategic plan, which we will have ready and rolled out before the end of this financial year. There are a number of key priorities there that we're focusing on, primarily on wool harvesting, on shoring up our supply chain and market access, on growing value at a consumer level, and obviously on promoting wool's sustainable qualities and characteristics. At the core of all this will be a very robust and meaningful consultation platform which we intend to grow and implement.

As I mentioned before, the shearing—wool harvesting—is a real crisis for the industry right now. We continue to train our shearers and we're very happy to have 150 young shearers who have been trained through our program in the last few months, and that program will continue. We are also looking at alternative avenues of shearing, including upright shearing modules, catch-and-drag delivery units and other mechanisms that can help reduce some of the stress on the body for shearers and hopefully attract more people into the industry and also retain them in the industry.

Our work on flystrike continues, and we're quite encouraged by some of the support we're getting from the industry in that sphere. The Product Environmental Footprint issue, in Europe, continues to be a real challenge for our fibre and something that we want to get right, because we understand that, if we don't get it right in this jurisdiction, it can move to other jurisdictions around the world. I think it's important that wool is positioned fairly when comparing it with synthetic fibres. In the absence of the chairman's comments, I might park it there if that's all right.

CHAIR: Thank you, Mr Roberts, and congratulations on your appointment. That's very exciting. The committee looks forward to seeing a lot more of you in estimates going forward. I'll throw to Senator Davey for questions.

Senator DAVEY: I join in the chair's congratulations, Mr Roberts. I look forward to seeing you frequently through the estimates process and hopefully always hearing positive updates. You mentioned the Product Environmental Footprint in Europe. That is an issue I have raised in the past. It's of grave concern to me and many others that a product that is as sustainable and environmentally friendly as wool is being treated as a second-class citizen through this process and as substandard to petrochemical products and products that require an awful lot of energy to process and manufacture into a wearable product. Can you give me an update on what progress you're making in your negotiations around the PEFs? Are you getting a fair sounding board from the powers that be in Europe who've dreamt up this scheme, which was developed for good intent but, in practicality, is having some unintended consequences?

Mr Roberts: Thank you for the question and thanks for your interest in this. You're right: it beggars belief that a fibre such as ours should rate so poorly under the current methodology. We launched our campaign some time ago now. In the most recent campaign we did, the Meaning behind the Mark, we spoke about the sustainable characteristics of wool. We had a number of speakers attend the launch of our campaign. One particular speaker was an environmental researcher who is quite well regarded within Europe. Her name escapes me right now. Her words about greenwashing and what is happening in this space and the fact that, should this methodology go ahead in its current form, it would be a complete form of greenwashing certainly resonated and got the attention of a lot of people, including the chair of the technical panel for the Product Environmental Footprint standards. She is now engaged with us directly and is now listening more closely to us in terms of our view on things—not just ours but that of producers of other natural fibres as well. We've also been successful in garnering the support of, I think, 27 European parliamentarians who have all raised concerns in the European Parliament in relation to this. We continue to attend the workshops. We've certainly got the attention that we didn't have six months ago, if I could put it that way.

Senator DAVEY: That is very good news, because I think six months ago everything we were trying to say was falling on deaf ears. Is there a transcript of that researcher's speech to the event that you could table or send to us? Could you take it on notice and get a copy to provide to the committee?

Mr Roberts: Sure. I'll follow up on that and I'd be happy to provide that.

Senator DAVEY: That would be great. I wish you all the best in continuing to try and progress some common sense through that process, because it's vital, not just for our fantastic wool products but for wool around the world. I don't know why a natural product that is so renewable and sustainable falls foul. Moving on to other topics, I've been interested in the Australia-India free trade agreement. In terms of market size and market share how important is the Indian market to the Australian wool industry?

Mr Roberts: Every market is important to us, but I would say India has always been the second or third biggest market for us in terms of volume and dollar value. That said, they've always taken somewhere between four per cent and eight per cent of our wool clip. I think at one point some years ago they might've got up to 12 per cent. They have got a great textile culture. They know our fibre well. The formal suiting market is probably the backbone of that demand, so more of your fleece wools, your longer staple wools—going into formal wear, wedding wear. With the big push for a lot of markets to diversify their sourcing of their semiprocessed wool, like wool [inaudible] particularly, I think India is probably a logical market. This reduction in the tariff of 2½ per cent can only help. What I would say about India is that it is a slightly closed shop at the moment, dominated by four

or five key textile businesses. It's hard to break into new markets there. The tariff they have on processed wool is up to 40 per cent, I believe. Certainly for our fibre, for our raw wool, this is good news.

Senator DAVEY: Did you mention what the current tariff is and what it will be under the interim agreement that we've entered?

Mr Roberts: I think it was 2½ per cent. I believe that is going to be removed.

Senator DAVEY: With that reduction—you mentioned that the market is a fairly closed shop at the moment—do you see opportunities? How will AWI be trying to maximise the opportunities that come from this free trade agreement?

Mr Roberts: I think the first stop is probably to have another catch-up with DFAT and get their take on things. We have actually got a meeting scheduled tomorrow with the largest top maker in India to talk to them about how this is impacting their business. Traditionally, most of the greasy wool that goes into India has been consumed in India at a retail level. I think if this now makes it easier and cheaper to process wool in India it may be that India can become an early-stage processor for markets globally. I think I would like to explore that opportunity. That is something that would be very interesting indeed.

Senator DAVEY: Just for the benefits of people, and for myself, at the moment we sell greasy wool to India. They clean it, process it, spin it and then produce products for sale in India. What you're saying is that there might be an opportunity for our greasy wool to go to India, go to that phase 2 processing, but then be onsold to other markets for further processing and turning into the final product?

Mr Roberts: Correct. They are probably my initial thoughts on it. That is probably the more exciting prospect. I think there is a finite usage in India. We are working on more breathable products in India because it is a warm climate, as you can appreciate, and there will be some growth there. But I think the bigger opportunity probably exists with the re-exporting of that product from India to mills globally and brands globally.

Senator DAVEY: What is the current wool processing capacity that India has? Is there a lot of scope to build that processing capacity, particularly from the phase 1 to phase 2 processing, so that they can onsell it? What I'm trying to ask is: is their processing capacity currently in full use, even though it's only for the domestic market, or do they need to expand processing to expand acceptance of our product?

Mr Roberts: I think the current manufacturers that use wool—and I will find out more on this tomorrow—are reasonably highly occupied; they're well utilised at the moment. In the vicinity of 80 to 90 per cent capacity is being utilised at the moment, from our understanding. However, if we talk about that re-export market, that would require new machinery or these existing plants to actually ramp up their capacity not only to feed their own retail capacity but also to re-export early-stage processed goods. So I think there are two opportunities there.

Senator DAVEY: When we're talking phase 1 and phase 2 processing, has AWI done any work to look at the potential benefits of returning that level of processing or that stage of processing to the Australian shore so that we can actually clean our own wool onshore and then sell it onto the market to fill that opportunity?

Mr Roberts: This is a topic that's very dear to my heart, because I was very much involved in the running of Geelong Wool Combing and Austop at Parkes for a long period of time. I was certainly involved in the moving of a lot of that machinery offshore; simply, the mathematics didn't stack up. I think we are at a point now where it's worth revisiting. We have been working with WoolProducers Australia, who got some funds from the government to actually commission a paper on a feasibility study for exactly that. So that's now in train. We play a role in that, certainly in providing some guidance and some input into how that should be run and the scope of that work. We will also be working to try and provide as many contacts as we can so it's a really good, robust, informative report that can be taken to government. So I think it's very timely to be looking at that.

Senator DAVEY: Good to hear that more work is being done. Deniliquin has a lot of space. There are great opportunities around Deniliquin for building a wool combing plant, so I'm always open to have that conversation. That's it from me, thank you, Chair.

CHAIR: Thanks, Senator Davey. Had I realised it was a bidding opportunity I would have brought a list, but I haven't, so we'll have to leave it at Deniliquin on the list. Thank you very much for your time today. That brings us to the end of questions for AWI. We will look forward to seeing you at the next estimates.

Mr Roberts: Thank you very much, Chair.

CHAIR: I need to let everybody know that Grains Research and Development Corporation was not required to be interviewed this afternoon, so they have been released from the schedule.

Horticulture Innovation Australia (Hort Innovation)

[16:59]

CHAIR: Do you wish to make an opening statement?

Ms Bird: No, we do not. We're happy to proceed.

CHAIR: I have some questions for you, and then Senator Ciccone will ask some. I want to talk to you about the process Hort Innovation follows when a grower funded project ends and becomes a commercial operation. How does that work?

Mr Brand: I'll throw to Dr Anderson, who can talk about that, because she'll have specific examples of projects.

Dr Anderson: When it comes to the time that there's a project output that can be commercialised, we will fund the commercialisation [inaudible]. A good example at the moment is our strawberry breeding program. As the varieties become available for commercialisation, we have an expression of interest to find a commercialisation partner, and from there we appoint that commercialisation partner, and they deliver the product to market. We have other projects where the commercialisation partner may be identified upfront. We recently contracted a project to look at TR4 resistance in bananas. That project has only just commenced with QUT, but we do have commercialisation partners upfront. So we foster our IP policy, and the project is considered on a case-by-case basis on the right pathway to adoption.

CHAIR: Is it the same process for all projects that have the potential to become commercially viable, and is this process made public?

Dr Anderson: We have an IP policy. I'd have to take on notice whether the IP policy is available on the website. Dr Kachenko may be able to advise me on that one. But we do have an IP policy, and a process is followed for those projects. But, as I said, the commercialisation pathway will differ depending on whether a project has a commercialisation partner upfront, or whether we wait, say for the strawberry breeding program, for when we have the output [inaudible] interest to identify that commercialisation partner.

CHAIR: Dr Kachenko, do you want to add anything to the IP process and whether it's public?

Dr Kachenko: We have a number of resources to support delivery partners that are publicly available on our website, including around intellectual property management and commercialisation—tools, templates and resources. The policy itself isn't public, however the supporting resources are. Just building on from Dr Anderson, certain commercialisation terms are also available in our research agreements, so there's full disclosure in relation to our contractual arrangements.

CHAIR: How many projects have become commercially operational in the last 10 years?

Dr Kachenko: We'll take that on notice and come back to you.

CHAIR: Thank you. How does HIA ensure that when a project becomes commercial that it has delivered a return on grower investment and continues to meet growers' needs?

Mr Brand: Sorry, can you ask that again?

CHAIR: How does HIA ensure that when a project becomes commercial that it has delivered a return on grower investment, and it continues to meet grower needs?

Mr Brand: I think though continuing to measure and evaluate. It could be through the adoption of that technology, or even in our breeding programs where there's a royalty flow back to industry, and it's about us then communicating that out to the growers.

CHAIR: So you would have a report or something to report back six-monthly or annually?

Mr Brand: Yes.

CHAIR: Would I be able to find that in public documentation?

Mr Brand: In our annual report there is a section that shows the royalty flow. Again, when we send you the 10-year information, we'll be happy to provide you with some of that information as well.

CHAIR: Terrific, thank you. How do you ensure that grower levy funds and grower intellectual property are used for the benefit of growers?

Mr Brand: Again, at the beginning of the project, it's ensuring that we have got clarity on the objective of that project that has a commercial outcome. I guess the key then is the ongoing challenge of ensuring adoption of that intellectual property, for example, if it were technology. It's something that we work on through our extension adoption team but also with industry bodies to ensure that growers are aware of their levy in action. Also, through our communication programs that most of our peak industry bodies deliver to their specific industry, we really look to try and amplify and drive awareness of those outcomes.

CHAIR: It is an age-old problem: how you focus on the D as much as on the R. It seems to be a constant topic.

Mr Brand: Absolutely. And rapidly followed by the E.

CHAIR: If HIA uses a management agreement to help manage the commercialisation of a project, do they seek grower input or direction into the agreement?

Mr Brand: From the grower perspective, the involvement would be when we go out to get advice on an investment. If there is a view that we need to go and set up a contract with a company to deliver the project, we wouldn't necessarily get growers involved in the actual inner workings of that arrangement, but they would certainly be aware of the objectives of that investment.

CHAIR: Do you think it might be a good idea to have a grower or industry committee to ensure that the commercialisation of the project is addressing grower needs?

Mr Brand: We do have grower input around that in terms of through our advisory mechanisms. We have strategic investment advisory panels. We are in the process of reviewing our advisory mechanisms because it's not one size fits all. We are looking at things like surveying growers. If we have a group of pineapple growers that are at a field day, for example, using that forum to get grower input on projects is another way of getting advice. We are actually in the process of doing that work. The business will be running workshops in May to really explore the roles and responsibilities but also advice mechanism.

CHAIR: I would like to talk about HARPS, the Harmonised Australian Retailer Produce Scheme. What is the intended purpose of HARPS? What is it? Tell me about it.

Mr Brand: The key objective of HARPS, since it was formed back in 2012, has really been about the harmonisation of the retailer audit requirements. The idea is to streamline the number of audits. Instead of a grower having to do an audit for Aldi, Costco, Woolworths, Coles, McDonald's, et cetera, there is a one-stop shop to streamline those audit functions.

CHAIR: That is terrific. I hope MLA is still watching this. They might consider adopting a program for audit processes for international markets. Anyway, I digress. Is it an industry owned scheme or is it a retailer led scheme?

Mr Brand: It's a combination. We've got a technical working group and a retail working group, and we're also looking at an industry advisory group. The technical working group is made up of industry representatives, from PIBs to industry associations. The technical working group really looks that the training requirements of HARPS. Then you've got the retail working group, which has got Aldi, Coles, Woolworths, Costco, Metcash, HelloFresh and McDonald's. We also have the NFF Hort Council as an observer on that working group.

The idea is that those three groups work together to ensure that we are working collaboratively and really trying to ensure—with all orders and programs, one of the dangers is that you can overcook them; you can overreach. In recent times Dr Kachenko has led a lot of consultation to ensure we are not only meeting the requirements for the retailers but also working closely with the growers to ensure it's supported by sound scientific underpinnings but also that it's not overly onerous. Otherwise, it goes against the objectives of why it was set up.

CHAIR: Is HARPS delivering on its intended purpose?

Mr Brand: I believe it is. There have been some challenges around some of the training requirements, as I said before. It is just making sure that, as we work through potential additional subject that go into that auditing program, we consult far and wide and don't overcomplicate it. Anthony, I don't know if you have anything to add.

Dr Kachenko: By all means, I think [inaudible] in the program is that there is close engagement with industry members. The evolution of the program is working hand in glove with industry retailers and the other intermediaries across the value chain. It's a fluid process. The program has just gone through a fairly extensive consultation, with external input, following a change to the version. That's now been going for 12 months in soliciting further feedback on the robustness of the program going forward.

CHAIR: Is that stakeholder consultation how you measure whether it's delivering on its purpose?

Dr Kachenko: There's quite a bit of information [inaudible] food safety [inaudible] in food safety. From the data and the working groups, it's clear that there is a downward trajectory in terms of product recalls and incidents of food safety. I think Australia prides itself on safe food, and it's non-negotiable. All efforts are made through those working groups with industry to make sure that we deliver that.

CHAIR: Do you have a grower or industry committee to help provide input and guidance on the management agreement to ensure that HARPS is meeting the needs of growers?

Dr Kachenko: We are currently working with the NFF council to look at a vehicle to bring industry closer into the tent in terms of awareness of the program and making sure it continues to address industry needs. That's very much a live piece of work. As Mr Brand highlighted earlier, there are already two working groups which involve industry representatives in the technical merits of the program as well as the fundamentals of the program when it comes to retailer needs. Yes, we're absolutely working towards an industry stakeholder committee.

CHAIR: Do you believe it is meeting the needs of growers?

Dr Kachenko: From what we are seeing at this stage, we believe it's meeting the gap with which it was intended to meet, which was the harmonisation of food safety schemes. There has been an uplift in being able to drive efficiency in the way individual businesses are meeting certification requirements. As Mr Brand alluded to earlier, it's looking at a one-size-fits-all approach rather than multiple schemes and potential duplications. The signals at this stage are demonstrating that it's filling the gap the way it was intended to.

CHAIR: Consistently across this committee, whether it be dairy, red meat, chicken or horticulture, we have the situation of many growers and few buyers. How do you ensure that growers aren't being dictated to by retailers with unrealistic expectations?

The harmonisation—excellent—I understand what you're doing with that project. But how do we ensure that it is not embedding unrealistic expectations by retailers?

Dr Kachenko: The key need is to ensure that there is open dialogue between all parties and a shared understanding in terms of the needs of different retailers across that value chain or supply chain. The fact of the matter is that there is and has always been extensive consultation since the program was launched with existing committees. And it's a further recognition that we need to continue to have open dialogue with industry to make sure that those issues that you're alluding to are considered as the program evolves to make sure it has the necessary guardrails and doesn't deviate.

Mr Brand: I mentioned before that the industry advisory group is the mechanism we're looking at that would have peak industry body representatives, industry association representatives, horticulture, innovation and retailers. I think that's another way of ensuring that the requirements required under HARPS are not becoming onerous or disconnected from commercial realities. But, on the other side, consumers are becoming more and more aware of where their food and fibre comes from, and we need to make sure that we continue to provide what our growers do now, the highest quality, safe produce.

CHAIR: Yes. The fact that I'm asking this question would reflect that perhaps there are some concerns about the grower side of the equation. This will be a theme that I will pick up on again at the next estimates. How much do retailers contribute to being members of HARPS?

Mr Brand: I have to take that question on notice.

CHAIR: How does HIA ensure that growers aren't being unreasonably charged fees for HARPS accreditation, especially when they've funded the development of the HARPS project through their grower levy?

Mr Brand: The actual certification, if you like, and the costs that growers incur are charged through the auditing body, at which there is obviously a commercial rate cut, and that's out of our hands. The way that we can ensure that the audit process is appropriate, fair and reasonable for growers is to ensure that the actual standard meets their needs and the standard isn't a standard that contains unnecessary expectations for growers. Our role is to make sure that the standard is fit for purpose. When it comes to the actual commercial cost, that's outside of our hands.

CHAIR: How is HARPS currently funded?

Dr Kachenko: The HARPS program is funded by a \$275 fee that is paid by growers undertaking the program. That fee is used to make sure that the program—the standard, if you like—is fair, reasonable and fits the need of the customer. That's the only cost associated with HARPS. All the other costs are associated with the auditing and the certification, which are external third party costs.

CHAIR: How much input do retailers have on HARPS? You covered this at the beginning, on the design of the harmonisation of the schemes. But how much input do they have now, and how much do they invest in a grower funded scheme?

Dr Kachenko: Financial or through time or in contribution—

CHAIR: Financially is what I'm asking.

Dr Kachenko: Financially—I'll have to take that on notice. They do pay a fee. I just don't have that at my fingertips at this point in time. In terms of the program, there is a retailer committee. They ensure that the retailers' needs are accommodated. And working with that retailer committee is the technical working group.

That's the group that has a mix of industry representatives, from growers through to auditing bodies and others, that contribute to the veracity or the rigour of the standard.

CHAIR: Would I be able to find the membership fees and financials of HARPS in your annual report?

Dr Kachenko: You wouldn't, because it's a separate entity. It's not administered by Horticulture Innovation; it's a standalone entity. The only fee that we have is a royalty fee for the program. Aside from that, it's a separate business entity.

CHAIR: How would I be able to see those financials?

Dr Kachenko: It's a commercial business. We could provide a redacted copy of some financials.

CHAIR: Let's start with that.

Mr Brand: There is a website link for HARPS Online that we can send you as well. For a grower, they can see what's involved in being a part of HARPS and the cost.

CHAIR: Thank you. At the last Senate estimates you mentioned that HIA was involved in some work with Seftons consultancy on 'What does good look like?' I wanted to ask how that was going.

Mr Brand: It's progressing. We have a working group now made up of three peak industry body representatives—

CHAIR: Which three industry bodies is that?

Mr Brand: Berries Australia, macadamias and nursery are the three peak industry bodies. Their CEOs are on that working group with two directors, Professor Rob Clark and Michael Nixon. Michael's a farmer from Western Australia and Professor Rob Clark is a farmer and ex-professor based in Tasmania. Anthony Kachenko and Fiona Hill-Stein, from the department, are working with Seftons on the working group. The working group is pulling together the terms of preference and the approach for the workshops that will be happening in May this year.

CHAIR: So we have a scheduled date, May?

Mr Brand: We're just finalising those dates at the moment, but yes.

CHAIR: Terrific. That's the end of my questions. I look forward to following up with you on those projects at the next estimates.

Senator CICCONE: I want to follow up on some of your excellent questions about HARPS. What grower input do you get into HARPS now that it's been commercialised?

Dr Kachenko: As we mentioned previously, there is a technical working group that involves grower representatives who provide input onto the standard. As I mentioned in January last year, there was extensive consultation around version 2, the updated standard of HARPS, which was a public consultation. It's been ongoing for over 12 months, with quite extensive input to make sure the standard is fit for purpose.

Senator CICCONE: Who are they, and how are they determined to be on this working group?

Dr Kachenko: Those growers go through an expression of interest, from the [inaudible] of HARPS, to fill the positions. There's a charter that governs the group and an expression-of-interest process.

Senator CICCONE: Who are the growers?

Dr Kachenko: I don't have that information on hand.

Senator CICCONE: Can you take that on notice?

Dr Kachenko: I can take that on notice.

Senator CICCONE: How much does HARPS' audit cost a grower?

Dr Kachenko: As I mentioned earlier, the audit cost is outside of our control and will vary depending on the type of location, the certification body and the complexities of the business. It's a dynamic figure. I don't have a number for you—

Senator CICCONE: Can you take it on notice and see what you can provide the committee?

Dr Kachenko: I can put a range forward, yes.

Senator CICCONE: I guess where I'm going is that the grower has paid for the creation of HARPS but then still has to pay for the audit costs. Is that correct?

Dr Kachenko: Correct.

Senator CICCONE: How much do retailers contribute to HARPS, if it's designed to support them?

Dr Kachenko: That question's been asked, so I'll take that on notice, but I think it's a similar answer to the previous one.

Senator CICCONE: Right. I am just looking back at some of my notes. Is it correct that the industry consultation group has been rejected by Hort Innovation Australia?

Dr Kachenko: It hasn't been rejected. The terms of reference are still in negotiation. It's currently on the table between Hort Innovation and the NFF Horticultural Council. If we can follow that—

Mr Brand: What we're looking at with that industry advisory group is that we have peak industry bodies and retailer representatives that then can work in with the retail working group and the technical working group. We haven't rejected it; we're just working on how to ensure that we get the best possible team and the outcomes that we're looking for around that collaboration.

Senator CICCONE: Following on from Senator McDonald's line of questions, I understand that the strawberry-breeding program has a committee of growers which allows growers to ensure commercial programs are meeting the needs of growers. Is that your understanding? Am I correct about the strawberry-breeding program?

Dr Anderson: Yes. With the strawberry-breeding program—I'd have to take it on notice and absolutely confirm—most of those projects have project reference groups or variety committees, and they're used to refer the grower input into those types of programs.

Senator CICCONE: How's that different to HARPS? I'm just trying to understand what the difference is.

Mr Brand: The difference is that the objective of HARPS when it was set up 10 years ago was to harmonise a raft of different auditing standards and approaches so that it becomes one size fits all. That's why we've got a technical advisory group: because it's underpinned by science, as food safety continues to be a key issue. That's why it's slightly different.

Senator CICCONE: Alright. How do you ensure that growers are happy with the return on investment? How do you get direct feedback from growers regarding HARPS?

Mr Brand: There are a number of ways. We get feedback through our peak industry bodies and we get feedback when we're out talking with growers. But also, through HARPS, we get feedback through the auditing process. So there are opportunities for people to provide feedback. Again, the key objective of it was to ensure that we did have a program that worked across all the retail in the sector to try and reduce duplication and cost.

Senator CICCONE: I want to turn to a question on notice that was responded to by Hort Innovation Australia: SQ22-000047. You stated that 40 voting entities participated in the election of office-bearer roles at the organisation's most recent annual general meeting, but I do note that you have almost 2,400 members. Are you satisfied with the degree of participation or are you concerned that such a low participation is indicative of a membership that's poorly engaged?

Mr Brand: In terms of the figures, we've got 2,387 members. There were 196 individual member entities with registered voting entitlements at the 2021 AGM. The proportion of members that were voters was eight per cent. Obviously, we would love to see it a lot higher. It does reflect something that the board of Hort Innovation is exploring, which is that we do have a quirk, if you like, in the constitution: being a levy payer does not mean you're automatically a member of Hort Innovation. That occurred when HAL, Hort Australia Ltd, became Hort Innovation Australia Ltd a number of years ago. People now have to register to become a member. That additional step could be seen by some as an issue which does impact on people's engagement. We certainly had a quorum—the quorum is 25—for the last AGM, but, yes, there's always an opportunity to get more members and we'd definitely like to have more growers engaged.

Senator CICCONE: I do note that this figure also includes entities that had their entitlement exercised via proxy.

Mr Brand: That's right.

Senator CICCONE: So, I think you've got a bit of homework to do there. I have just one final matter. I note that you've appointed a new CEO, Mr Fifield.

Ms Bird: That's correct.

Mr Brand: He's the chair.

Senator CICCONE: Yes, the chair. When will Mr Fifield commence in the role?

Ms Bird: He's starting on 26 April, the day after Anzac Day—so, in a few weeks time.

Senator CICCONE: How many candidates were considered for the role?

Ms Bird: We did an open recruitment process, and I believe we had, off the top of my head, over 60 applicants. We went through a series of interview processes. A recruiter narrowed down the field for us. We then went through recruitment interviews, and we went through two rounds of interviews with a selection panel and then the board.

Senator CICCONE: Also—and I'm not asking you to provide me with a specific figure—are you able to provide me with a salary range, or a band, for the role?

Ms Bird: I can take that on notice and provide that to you.

Senator CICCONE: Okay. What are the main objectives that the organisation is planning for the new CEO to focus on when he commences the role?

Ms Bird: I guess, for us, key is that we've spoken a lot about the stakeholder engagement process, where we're looking to design a new approach to our advisory mechanism and our working relationship with stakeholders, including peak industry bodies, which we've also referred to quite a lot. We're looking at the internal team and organisational performance, so, a range of those areas, as well as our investment strategy. So there are quite a few areas for an incoming CEO to be looking at.

Senator CICCONE: Thank you, Ms Bird, and thank you, Chair.

CHAIR: That brings us to the end of your time with us, Horticulture Innovation Australia. Thank you for your time preparing, and we'll look forward to seeing you at the next estimates. That concludes today's proceedings. The committee is due to recommence its examination of the budget estimates on Friday 8 April 2022. I thank Minister Duniam, officers of the Department of Agriculture, Water and the Environment and all witnesses who have given evidence to the committee today. Thank you also to Hansard, broadcasting and the secretariat. Good night.

Committee adjourned at 17:32