

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2015

Agriculture

Question: 157

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Independent Reports by the expert panel into the Small Pelagic Fishery declared commercial fishing activity

Proof Hansard page: 45 (26.5.2015)

Senator CAMERON asked:

Senator CAMERON: Could you on notice give us details of what the management system is between AFMA and the department on dealing with this report? How are you going to manage to analyse the report and deal with the outcomes, and what is the time frame you are looking at? Can you also do that in terms of the other two agencies—the three agencies? How are you going to engage with the other two agencies? What is the time frame? And how are your inputs going to be done: is a committee being established; are only Mr Thompson and Dr Rayns looking at it; and how is it going to work? Take that on notice.

Senator Colbeck: Certainly. And as I indicated before, some of the recommendations have already been taken into consideration in the management of the fishery already. So that process has already commenced, because that is the function and role that AFMA has as part of the process. So it is not as if it is just sitting there. Recommendations out of the report have already had some impact on the management of the fishery.

Answer:

New advice regularly becomes available that is relevant to fisheries management. The agriculture and environment portfolios, including the Australian Fisheries Management Authority (AFMA), take this into account in normal processes when making decisions about fisheries.

In response to the two expert panel reports the Australian Government introduced a regulation to prohibit vessels over 130 metres from undertaking fishing related activities in the Australian Fishing Zone. This effectively banned the two declared commercial fishing activities that were considered in the reports. This regulation came into effect on 16 April 2015.

In relation to the FV *Geelong Star*, AFMA has considered the findings of the first expert panel report in the vessel's current Vessel Management Plan. Some of the advice in the report refers to activities outside AFMA's functions and powers, such as that seeking further work on the population status of marine mammals, and these are not able to be pursued by AFMA.

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The government has invested \$1.5 million in new science on the Small Pelagic Fishery over the last three years which is also being taken into account in decision making processes such as setting the total allowable catch settings process for the 2015–16 fishing season. Science and research organisations continue to collaborate on research opportunities and priorities for the Small Pelagic Fishery – which will include consideration of the *‘research and monitoring key advice’* of the reports. For the agriculture portfolio this work is led by the Fisheries Research and Development Corporation (FRDC).

It is not intended to establish an inter-departmental committee to consider the expert panel reports. Relevant agencies including the Department of the Environment, the Department of Agriculture and AFMA have and will, as required, consider the advice in both reports furtherin the on-going management of Australian fisheries. All agencies continue to work collaboratively on this issue along with research and science organisations like CSIRO, FRDC and ABARES.

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Agriculture

Question: 158

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Budget – recreational fishing

Proof Hansard page: 46 (26.05.15)

Senator CAMERON asked:

Senator CAMERON: Are these funding agreements publicly available?

Senator Colbeck: I am not sure that they are at this stage, and we have not actually announced them until just now.

Senator CAMERON: We have got a scoop!

Senator Colbeck: They have been signed relatively recently. Yes, you have got a scoop. You ought to mark that one down. You do not get many at estimates.

Senator CAMERON: It was signing a contract!

CHAIR: Are you going to finish on a high, Senator Cameron?

Senator CAMERON: Just on that, can you provide the contracts when they are available?

Mr Thompson: Yes. As Senator Colbeck said, I think the last one was only signed last week.

Answer:

- The administration of government grants requires that individual grant details are published on the department's website (within 14 days of execution) which can be found at www.agriculture.gov.au/about/obligations/grants-reporting-requirements. The full agreements are not normally released as they are considered commercial in confidence.
- Copies of funding agreements with the National Seafood Industry Alliance and the Australian Recreational Fishing Foundation are at Attachment A. Commercial or private information such as bank account and personal details have been removed from the agreements.

Clarity (GMS) ID #	Agency	PBS Programme Title	Programme	Project Title	Grant recipient	Purpose	Special confidentiality provisions (Y/N) and reason	GST Inclusive Value (where GST is applicable)	Start date	Grant Term (months)	Grant Funding Location
GMS-2477	Agriculture	1.4 Fishing Industry	Ad-hoc - One-off	Increasing the sustainability and contribution of recreational fishing in Australia	Australian Recreational Fishing Foundation	The grant will be used to support the Australian Recreational Fishing Foundation to develop and promote sustainable fishing practices by: <ul style="list-style-type: none"> • building the social licence of recreational fishing with the Australian community • revising and promoting the National Code of Practice for recreational fishing • improving the capacity of the recreational fishing sector to engage with government on industry issues. (commitment twelve of the Coalition’s policy for a more competitive and sustainable fisheries sector). 	N	\$550 000 (GST incl.)	13/05/15	38 months	Canberra ACT
GMS-2478	Agriculture	1.4 Fishing Industry	Ad-hoc - One-off	Developing a national seafood industry peak body	National Seafood Industry Alliance Incorporated	This grant is to develop a sustainable mechanism for a strong representative commercial fishing peak body and to support the development and promotion of sustainable fishing practices by the peak body (commitment twelve of the Coalition’s policy for a more competitive and sustainable fisheries sector).	N	\$500 000 (GST excl.)	2/06/15	37 months	Fremantle, Western Australia

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Question: 159

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Yellow crazy ant funding

Proof Hansard page: 88 (25.5.2015)

Senator LAZARUS asked:

Senator LAZARUS: I understand that currently the Commonwealth supports the program with \$1.9 million per annum, but it seems the funding has not been established or is not available in 2016. Can you update me on that?

Mr Thompson: I would have to take that on notice. As I said, that program in the past was part of the Caring for Our Country program that we were involved in. Yes, there was \$1.9 million provided to the Wet Tropics Management Authority for crazy ant eradication in the wet tropics area, but that targeted grant ceased in 2013-14. If you want to pursue that in more detail, it would be appropriate to ask the environment department.

Answer:

Government activity in response to yellow crazy ant in Queensland and on Christmas Island is led by the Department of the Environment.

According to the Department of the Environment, Australian Government funding for yellow crazy ants in and around the Wet Tropics World Heritage Area has not decreased. The current funding of \$1.9 million over five years from 2013 was provided to the Wet Tropics Management Authority for work to eradicate a large infestation of up to 400 ha within and adjacent to the Wet Tropics World Heritage Area (noting that the first detection within the World Heritage Area was in 2012). This funding provided was the amount requested by the Wet Tropics Management Authority.

The Queensland Government ceased its eradication programme in late 2012 following additional detections over 2011-12 which it believed indicated that state-wide eradication was no longer feasible.

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The Australian Government has also provided:

- Funding for three Green Army teams that will work to protect and conserve the Wet Tropics World Heritage Area by controlling yellow crazy ants in adjoining residential areas, removing weeds and increasing the ecological resilience and the integrity of riparian systems within areas infested by yellow crazy ants and by conducting fine scale luring surveys of yellow crazy ants in high risk areas adjoining the Wet Tropics World Heritage Area.
- \$268 000 in 2012–13 for management along the boundary of the Wet Tropics World Heritage Area.

The Wet Tropics Management Authority has not approached the Australian Government for additional funding. The Wet Tropics Management Authority has applied for an additional three Green Army Teams under Round Three of the Green Army Programme. The Department of the Environment is currently assessing these Round Three applications, with successful projects intended to be announced in June this year.

The area of infestation has increased and the Wet Tropics Management Authority recognises that current funding levels are insufficient to eradicate the yellow crazy ants from the Wet Tropics World Heritage Area.

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Question: 160

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Weed and pest animal management

Proof Hansard page: 94 (26.5.2015)

Senator CAMERON asked:

Senator CAMERON: Mr Thompson, you have been helpful on this. On notice, could you provide the details of the administration of these loans in each state? What are we proposing in terms of ensuring that there is no chance of manipulation?

Mr Thompson: It is a grant to the state and the grant is out to the individuals. If we are to do this in a reasonable time, I do not think we could provide you with what the future ones might be because they are still being negotiated. But perhaps we could provide you with the arrangements that are in place now for the pest and feral animal program because that would give an example of the sort of thing we would be doing.

Senator CAMERON: That would be helpful. So you are trying to get this in place before the end of this financial year?

Mr Thompson: As Mr Glyde said, we would be trying to get it in place as quickly as possible. We are unlikely to do it by 1 July, but we are doing it quickly.

Senator CAMERON: And I do understand the difficulties of dealing with the states on this. I do understand that. But if there are criteria that the states will use to access the grants for these programs, could you take that on notice and provide that to the committee?

Mr Thompson: Yes. The agreement we have with the states is a public document and the criteria the states use is normally public as well.

Answer:

States and Territories have primary responsibilities for pest animal and weed management. National Partnership payments (2015–16 to 2018–19) to the States for pest animal management and weed control in drought-affected areas will be facilitated by project agreements under the Intergovernmental Agreement on Federal Financial Relations.

Funds administration will occur at the state-level. State governments will work with natural resource management groups, local shires and others to determine appropriate pest animal

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management projects, and then on-forward the Australian Government funding to these groups to carry out on-the-ground delivery. Consistent with the Intergovernmental Agreement on Federal Financial Relations, Commonwealth prescriptions on service delivery by States and Territories are to be kept to a minimum, allowing the delivery of outcomes of the project agreement in the best way they feel fit. Two examples of how funds are administered by the States under project agreements for pest and weed management are provided below.

Example 1 – New South Wales

The Australian Government is currently providing up to \$2.4 million across 2013–14 and 2014–15 for pest management. The process for determining funding priorities in New South Wales last year (current round) involved the New South Wales Government Local Land Services, under the leadership of the New South Wales Department of Primary Industries (DPI) inviting drought affected regions to submit Expressions of Interests (EOIs) on how they could best invest Australian Government funding to deliver pest management programs. EOIs were considered by a joint committee of New South Wales Government Local Land Services and New South Wales DPI. The programs being implemented in drought affected areas target wild dogs, feral pigs and feral camels. These programs are in addition to other planned activities and often expand existing landholder-led programs.

Example 2 – Queensland

The Australian Government is currently providing up to \$5.6 million across 2013–14 and 2014–15 for pest management. The Queensland Government Department of Agriculture, Fisheries and Forestry sought EOIs and a state-wide oversight group of key industry, local government and state government oversaw the development of projects.

Additional Information

This new funding of \$15 million for 2015–2016 and \$10 million over the forward years will be administered in a similar way. It is expected that Australian Government funding will be provided for projects that:

- Are consistent with existing science-based pest and weed management programmes in the states and territories
- Effectively control pest animals and agricultural weeds and have the greatest impact on lifting agricultural production
- Provide benefit to the largest possible number of farmers affected by drought
- Include co-investment from state and territory governments, and stakeholders such as local councils and/or landholders
- Are delivered by locally-based natural resource management bodies, industry organisations, farmer groups and/or councils, as appropriate, in affected areas

The project agreement for assistance for water infrastructure and pest management between the Australian Government and New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory is publicly available at:

www.federalfinancialrelations.gov.au/content/npa/environment/water_infrastructure_pest_management/national_partnership_2014.pdf

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Question: 161

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Tasmanian forestry grants

Proof Hansard page: 101 (26.5.2015)

Senator RICE asked:

Senator RICE: I want to ask some questions about the Auditor-General's reports on the Tasmanian forestry grants program, the Senate inquiry that was conducted under that and the efforts being taken to investigate the claims of fraud and noncompliance under it. I am interested in knowing how much the department has spent investigating, auditing or reviewing the compliance of the Tasmanian forestry exit grants.

Mr Thompson: We would have to take that on notice. We do not have the details of what it has cost to date with us.

Answer:

The Department of Agriculture has spent approximately \$1.3 million administering the forestry exit grant programmes in the last four financial years. This includes staffing costs, AusIndustry compliance checks and legal costs associated with the programme.

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Agriculture

Question: 162

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Tasmanian forestry grants

Proof Hansard page: 101-102 (26.5.2015)

Senator RICE asked:

Senator RICE: How many staff are involved in the process?

Ms Standen: Again, I would have to take that on notice. I do not know the exact numbers, but I will say that a number of different areas of the department are involved, including the grants administration program, the policy area of the department as well as the fraud and security team.

Senator RICE: So we are talking about quite a few staff involved?

Ms Standen: I could not speculate as to exactly how many. I would have to take it on notice.

Senator RICE: If you could, that would be good.

Answer:

A number of staff are involved in the management of the programme across a variety of APS levels.

It is estimated that the approximate staffing levels for the Tasmanian Forests Intergovernmental Agreement Voluntary Exit Grants Programme over the last four years are as follows:

- 2011-12 - 1x EL2, 3x EL1, 1.5x APS6 and 1x APS5 FTEs
- 2012-13 - 1x EL1 FTE
- 2013-14 – 0.4 x EL1 and 0.5 APS6 FTEs
- 2014-15 - 1x EL1 and 0.5 APS6 FTEs

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Question: 163

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Forestry exist grant programs

Proof Hansard page: 102 (26.5.2015)

Senator RICE asked:

Senator RICE: With these current claims of fraud and the one fraud and two noncompliance, have you conducted any interviews or forensic accounting?

Ms Standen: In relation to the one fraud allegation that is still outstanding, it is an investigation that is ongoing and I am not able to comment further on it.

Senator RICE: Have you contracted any private investigators to be investigating it in the same way Centrelink does for cases of fraud?

Ms Standen: I can take that on notice, but my understanding is no.

Senator RICE: Have any of your officers visited Tasmania to investigate or conduct interviews?

Ms Standen: We have contracted AusIndustry, through the department of industry, to undertake compliance activities on our behalf.

Senator RICE: Could you give me any more details as to what compliance activities they are undertaking?

Ms Standen: In terms of the actual details, I will take that on notice.

Answer:

- No private investigators have been hired to monitor grant recipients.
- Matters relating to fraud are dealt with by the department's Fraud and Security Team. They have conducted site visits in Tasmania. However it is not appropriate to comment further on these visits as the investigations are still ongoing.
- AusIndustry has also been contracted to undertake on ground compliance checks in accordance with the program's Monitoring and Compliance Plan. The purpose of these on ground compliance checks were to ensure the following:

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That the Grant recipient:

- i. has not re-entered the Australian forest industry as a harvest, haulage or silvicultural contractor
- ii. has not entered into any new contractual arrangements (includes verbal arrangements) as a harvesting, haulage or silvicultural contractor in the Australian forest industry
- iii. is not using forestry machinery as a harvesting, haulage or silvicultural contractor in the public native forest sector or in other forestry sectors other than for existing contractual arrangements
- iv. is not hiring out or leasing out machinery into the Australian forest industry
- v. if they are a Tasmanian Community Forest Agreement (TCFA) Industry Development Programme (IDP) grant recipient that they have not sold any machinery funded under that programme without the written permission of the department.

That nominated individuals:

- i. have not re-entered the Australian forest industry as a harvest, haulage or silvicultural contractor
- ii. have not entered into any new contractual arrangements (includes verbal arrangements) as a harvesting, haulage or silvicultural contractor in the Australian forest industry in relation to any company or business
- iii. are not using forestry machinery in the public native forest sector or in other forestry sectors other than for existing contractual arrangements of the grant recipient
- iv. are not hiring out or leasing out machinery of the grant recipient into the Australian forest industry.

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Agriculture

Question: 164

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Forestry exist grant programs

Proof Hansard page: 103-104 (26.5.2015)

Senator RICE asked:

Senator RICE: Are there any more noncompliance notices that have been issued other than these two that we have been made aware of?

Ms Standen: At this point in time, my understanding is no. But the compliance activities are constant and ongoing. So from time to time grantees could possibly find themselves noncompliant, in which case we will then work with them to ensure that they remain compliant.

Senator RICE: What is the penalty for noncompliance?

Ms Standen: There is no penalty.

Senator RICE: So even though they have received a very substantial amount of taxpayers' money, and they are not complying with the conditions of that grant, there is no penalty?

Ms Standen: Noncompliance does not mean that they are not entitled to the grant.

Senator RICE: You said that there were less serious issues of noncompliance but then there are more serious issues of noncompliance.

Ms Standen: That is right. But I cannot elaborate further on what action we would take in terms of those more serious noncompliant actions.

Senator RICE: So there is still no penalty?

Mr Thompson: If some of the noncompliance is as trivial as we failed to get a notification of their change of address on time and that is resolved, that would not cause any disturbance under their deeds. I have not looked carefully at the deeds. Normally, with contracts, as you move through the extent of noncompliance, breach notices can be issued. Depending on the magnitude and significance of that, there may well be some penalties. We would have to take on notice what they are. Fraud becomes a deliberate deception. If someone has just failed to do something because something has happened, it may be a breach which results in some other sort of condition under the deed. But we could come back on what the terms of the deed are in general, not in the specific cases because we are trying to not breach their privacy. In particular, they are allegations rather than necessarily proven cases.

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Senator RICE: If you could take the terms of the deed on notice that would be good.

Answer:

An example of the funding deed signed by the grantees under the IGACEP programme can be found on the department's website:

<http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/domestic-forestry/igacep/igacep-funding-deed.pdf>

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2015

Agriculture

Question: 165

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Ongoing grant schemes

Proof Hansard page: 104 (26.5.2015)

Senator RICE asked:

Senator RICE: Are you looking at any increased investment into the future—you have ongoing grant schemes—or are you satisfied with the level of monitoring that you are currently doing?

Ms Standen: Well, we are currently undertaking a review of our compliance and monitoring activities. It is a desktop review. It will be completed around July this year. We may well, as a result of that review, consider increasing on-the-ground compliance activities.

Senator RICE: What level of on-the-ground compliance activities do you do at the moment?

Ms Standen: As I said, we have contracted AusIndustry to undertake those activities. I can provide you with details of that on notice.

Senator RICE: How much time do they spend?

Ms Standen: I do not have that information in front of me. I will have to provide that on notice.

Answer:

AusIndustry estimates that approximately 800 hours were spent investigating 76 grantees.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2015

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Question: 166

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: FRDC Funding

Proof Hansard page: 114-115 (25.5.2015)

Senator BULLOCK asked:

Senator BULLOCK: The membership of international fisheries organisations has been moved over onto the RDC tab, and I thought I would have been able to pick up in the sums \$965,000 out of \$27 million.

Mr Thompson: It is a recurrent expenditure, but the way it appears in the budget it would not appear in the FRDC component because it is effectively a reduction in the appropriation that is paid to the FRDC. So the amount of money the FRDC would receive will go down by that amount.

Senator BULLOCK: Right. So it is being taken out of your budget rather than you paying for it? I sort of misunderstood the mechanics. Is that right?

Mr Thompson: Yes, the mechanics are that the department will pay the money and the FRDC will get less money. So it is within the departmental budget material.

Senator BULLOCK: I understand that. I was looking for it and could not find it.

Senator Colbeck: Senator, we might be able to find it. It is buried in a number somewhere else. If we take on notice where we can find it we can advise the committee.

Answer:

As indicated by Mr Thompson during the hearing, the department continues to pay international commodity organisation membership fees from its administered appropriation, including fisheries organisations. This was identified in *Table 1.2: Department of Agriculture 2014–15 Budget measures* on page 21 of the Portfolio Budget Statement 2014-15. Identification of the reduction in funding is not repeated in future Portfolio Budget Statements.

The impact of the 2014-15 Budget measure has been that estimates of matching contributions paid to the Fisheries Research and Development Corporation are reduced by an amount equivalent to the amount required to fund the membership of international fisheries organisations.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2015

Agriculture

Question: 167

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: APVMA labelling

Proof Hansard page: Written

Senator LEYONHJELM asked:

On what dates has the Department been engaged in consultation with Safe Work Australia regarding the adequacy of APVMA labelling for worker health and safety? In these consultations, has the Department expressed concerns or opposition to the requirement for additional labelling by 2017 for worker health and safety? If so, what is the nature of these concerns/opposition?

Answer:

The department has engaged in consultation with Safe Work Australia in relation to the adequacy of Australian Pesticides and Veterinary Medicines Authority (APVMA) labelling for worker health and safety starting in 2008, when it was created. Prior to this the department met with the then Department of Employment and Workplace Relations. The department has continued to engage with Safe Work Australia on this matter through various meetings, including the most recent in June 2015. The department has consistently expressed concerns about the additional labelling requirements by 2017 for worker health and safety. The department's concerns are primarily that inclusion of the additional hazard information is duplicative and undermines the existing, comprehensive risk assessment and management strategy that underpin the APVMA approved labels, and could lead to confusion amongst users.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Agriculture

Question: 168

Division/Agency: Sustainability and Biosecurity Policy Division

Topic: Australian Recreational Fishing Foundation Ltd grant

Proof Hansard page: Written

Senator LEYONHJELM asked:

Can you advise the purpose of the grant of \$550 000 to the Australian Recreational Fishing Foundation Ltd. on or about 15/03/2015?

Answer:

The administration of government grants requires that individual grant details are published on the department's website (within 14 days of execution) which can be found at www.agriculture.gov.au/about/obligations/grants-reporting-requirements

The grant will be used to support the Australian Recreational Fishing Foundation to deliver a number of activities including the revision and promotion of the National Code of Practice for recreational fishing that will contribute to:

- the development and adoption of sustainable fishing methods by Australia's recreational fishing community
- building social licence with the Australian community by improving communication and promoting recreational fishing as a sustainable, healthy and beneficial leisure-sport activity
- improving the capacity and capability of the recreational fishing community to engage with government to support a sustainable sector into the future.

The project meets the government's commitment under its *Policy for a More Competitive and Sustainable Fisheries Sector* to develop sustainable mechanisms for a strong representative recreational body and support the development and promotion of sustainable fishing practices.