

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 5

Division/Agency: Agricultural Policy Division

Topic: Contamination of land around Oakey and Williamstown

Proof Hansard Page: 19 (24.05.2017)

Senator HANSON asked:

Senator HANSON: With the contamination of the land around Oakey and Williamstown, from the Air Force, what provisions have been put in place for the livestock—cattle and horses—that may be contaminated from that land? Also, are tests done, to do with the export market, and, if so, what tests are they?

Dr Clegg: I would need to take that on notice. There is a committee. There are officers in the department who have been working on the PFOS contamination issue. The animals themselves that are on the properties are managed by the states and territories, so they are responsible for the health and welfare of the animals there. For export, that would be a different issue.

Answer:

On 3 April 2017, Food Standards Australia New Zealand (FSANZ) conducted a hazard assessment of PFAS and concluded that there is currently no consistent evidence that these chemicals cause adverse health effects in humans. FSANZ's report comprised the final health based guidance values for PFAS site investigations in Australia, a dietary exposure assessment and advice on regulatory options for Australia. The full report can be found on the Department of Health website health.gov.au.

FSANZ did not recommend a regulatory approach or the setting of maximum limits for PFAS in food in the Australia New Zealand Food Standards Code. This is consistent with the findings of other international agencies. No other country has regulatory limits for PFAS in food.

There are therefore currently no domestic or international restrictions on the production, movement or sale of livestock in Oakey or Williamstown.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 6

Division/Agency: Agricultural Policy Division

Topic: Representation on board

Proof Hansard Page: 100 (24.05.2017)

Senator RICE asked:

Senator RICE: Do any of the other RDCs currently have boards with a similar structure as yours—without those representative organisations on them?

Ms Slack-Smith: You would need to ask them, Senator.

Senator RICE: My understanding is that they do not.

Ms Slack-Smith: You would need to ask them.

Senator RICE: Do you know of any others that do?

Mr Merriman: I think the dairy board is directly elected? I could not swear to that, but that is what I think. Do you know?

Senator RICE: I don't think it is. My understanding is that your RDC is the only one that does not have those organisations represented on your board.

Mr Quinlivan: Can we take that on notice?

Senator RICE: Yes

Answer:

Board selection for industry-owned RDCs, including Australian Wool Innovation, is based on requirements in the constitution of the RDC. Board selection for statutory RDCs is based on requirements in their enabling legislation. All RDCs are moving towards skills-based boards.

Under its statutory funding agreement with the Commonwealth since 2010, Australian Wool Innovation has been required to maintain, implement and regularly review a framework of good corporate governance that draws on contemporary best practice corporate governance standards including the ASX Corporate Governance Principles and Recommendations. AWI committed to establishing a skills-based board and it established a board nomination committee consistent with the ASX guidelines.

Question Number: 6 (continued)

Of the fifteen rural RDCs, LiveCorp is the only one with a director appointed by an industry representative body. One of its directors is appointed by the Australian Livestock Exporters' Council. The remainder of LiveCorp's directors are nominated by members of the RDC and a board selection committee, and elected by members.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 7

Division/Agency: Agricultural Policy Division

Topic: Rural Research and Development for Profit programme

Proof Hansard Page: 49 (25.05.2017)

Senator STERLE asked:

Senator STERLE: That is \$36 million something? How much did you say?

Ms Musgrave: Yes, it is about \$36 million. I am just looking for the exact number here.

Senator STERLE: We are not going to hang you if you are a couple of cents out.

Ms Musgrave: I would say \$36 million and I will correct it if it is wrong.

Senator STERLE: That is fine. That money has been allocated and it is out there now. So, what is that being spent on?

Ms Musgrave: The 12 projects under round 1.

Senator STERLE: If it is an exhaustive list you can give it to us on notice or if you want to brag about it fire away.

Ms Musgrave: I might give you the generic thing and give you the exhaustive list later. There are 12 projects under round 1, 17 projects under round 2 and six projects funded under round 3. R&D corporations—the rural research and development corporations—are the only eligible applicants under this program, but the requirements under the guidelines mean that they have to be collaborating with others. So, other RDCs but also research institutions, partner entities, industry, whoever. It is aimed at driving some collaboration.

Answer:

Grant funding of \$26,669,445 was awarded to 12 projects under round one of the Rural R&D for Profit programme (the programme). Round one projects are listed below.

Rural Research and Development Corporation	Project name	Australian Government funding \$ GST exclusive
Australian Pork Limited	Waste to revenue: novel fertilisers and feeds	862,693
Cotton Research and Development Corporation	Smarter irrigation for Profit	4,000,000

Rural Research and Development Corporation	Project name	Australian Government funding \$ GST exclusive
Dairy Australia Limited	Stimulating private sector extension in Australian agriculture to increase returns from R&D	1,595,000
Dairy Australia Limited	MIR for profit: integrating very large genomic and milk infrared data to improve profitability of dairy cows	927,273
Fisheries Research and Development Corporation	Growing a profitable innovative and collaborative Australian Yellowtail Kingfish aquaculture industry: bringing 'white fish to the market'	3,000,000
Horticulture Innovation Australia	Multi-scale monitoring tools for managing Australian tree crops: Industry meets innovation	3,428,248
Horticulture Innovation Australia	Adaptive area-wide management of QFLY using SIT: guidelines for efficient and effective pest suppression and stakeholder adoption	2,350,000
Meat and Livestock Australia	Market and consumer insights to drive food value chain innovation and Growth	2,873,500
Meat and Livestock Australia	Fast-tracking and maximising the long-lasting effects of weed biological control for farm productivity	1,897,918
Rural Industries Research and Development Corporation	Consolidating targeted and practical extension services for Australian farmers and fishers	815,000
Rural Industries Research and Development Corporation	Improved use of seasonal forecasting to increase farmer profitability	1,829,249
Sugar Research Australia	A profitable future for Australian agriculture: bio refineries for higher value animal feeds, chemicals and fuels	3,090,564

Grant funding of \$52,186,966 was awarded to 17 projects under round two of the programme. Round two projects are listed below.

Rural Research and Development Corporation	Project name	Australian Government funding \$ GST exclusive
Australia Grape and Wine Authority	Mitigation of climate change impacts on the national wine industry by reduction in losses from controlled burns and wildfires and improvement in public land management	1,466,000
Australia Grape and Wine Authority	Digital technologies for dynamic management of disease, stress and yield	2,987,635
Australian Pork Limited	Enhancing supply chain profitability through reporting and utilization of peri- mortem information by livestock producers	711,668
Cotton Research and Development Corporation	Accelerating precision agriculture to decision agriculture	1,397,561
Cotton Research and Development Corporation	More profit from nitrogen: enhancing the nutrients use efficiency of intensive cropping and pasture systems	5,889,286
Dairy Australia Limited	Enhancing the profitability and productivity of the livestock farming through virtual herding technology	2,600,000

Rural Research and Development Corporation	Project name	Australian Government funding \$ GST exclusive
Fisheries Research and Development Corporation	Easy-open oysters	236,275
Forest and Wood Products Australia	Lifting farm gate profit through high value modular agroforestry	520,000
Horticulture Innovation Australia	National Centre for Post-harvest Disinfestation Research on Mediterranean Fruit Fly (Australian Medfly R&D Centre)	1,647,636
Horticulture Innovation Australia	Advanced production for temperate nut crops	5,000,000
Meat and Livestock Australia	Globally competitive Australian meat value chains enabled by advanced measurement technologies and integrated feedback systems	4,850,000
Meat and Livestock Australia	Phosphorus efficient pastures: delivering high nitrogen and water use efficiency, and reducing cost of production across southern Australia	3,460,000
Meat and Livestock Australia	Improved surveillance, preparedness and return to trade for emergency animal disease incursions using FMD as a model	5,869,968
Rural Industries Research and Development Corporation	Taking the Q (query) out of Q fever: developing a better understanding of the drivers of Q fever spread in farmed ruminants	514,500
Rural Industries Research and Development Corporation	New biocontrol solutions for sustainable management or weed impacts to agricultural profitability	6,230,437
Rural Industries Research and Development Corporation	Secure pollination for more productive agriculture: guidelines for effective pollinator management a stakeholder adoption	5,255,000
Sugar Research Australia	Enhancing the sugar industry value chain	3,551,000

Grant funding of \$35,821,988 was awarded to seven projects under round three of the programme. As at 14 June 2017 five round three projects have been announced, and are listed below. The remaining two projects include total grant funding of \$6,790,075 and are yet to be announced.

Rural Research and Development Corporation	Project name	Australian Government funding \$ GST excl
Horticulture Innovation Australia	Improving plant pest management through cross industry deployment of smart sensor, diagnostics and forecasting	6,758,797
Forest and Wood Products Australia	Increasing farm gate profits, the role of natural capital accounts	900,000
Meat and Livestock Australia	Dung beetle ecosystem engineers – enduring benefits for livestock producers via science and a new community partnership model	9,174,174
Meat and Livestock Australia	Wastes to profits: technologies and business models for the management of wastes in the animal industries	6,000,000

Rural Research and Development Corporation	Project name	Australian Government funding \$ GST excl
Meat and Livestock Australia	Forewarned is forearmed: equipping farmers and agricultural value chains to proactively manage the impacts of extreme climate events	6,198,942

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 8

Division/Agency: Agricultural Policy Division

Topic: Seasonal workers

Proof Hansard Page: 49 (25.05.2017)

Senator BACK asked:

Senator BACK: Agricultural workforce—what is the seasonal worker incentive scheme? Is it underway and can you tell us, if it is underway, is it effective?

Ms Freeman: The announcement was the expansion of the seasonal worker programs to basically allow employers from the broader agricultural sector to access workers from nine eligible Pacific Island countries and Timor Leste. Previously, only horticulture was allowed to participate.

Senator BACK: Correct.

Ms Freeman: In 2015-16 we know there were roughly 4,500 issues of visas granted under that program.

Senator BACK: Can you tell us, on notice if not now, what industry sectors they ended up finding employment in? You are right; it was originally confined to horticulture.

Ms Freeman: Correct.

Senator BACK: Also, on notice, if you can tell us which countries they came from? I am particularly interested to see whether or not they are from Timor Leste.

Ms Freeman: Yes. I will take the industry coverage on notice, but for the worker intakes from participating countries, just from Timor Leste, so working back for 2015-16 there were 224 workers.

Answer:

The number of approved placements under the Seasonal Worker Programme (by sector) for 2015-16 is provided in Table 1.

Question Number: 8 (continued)

Table 1: The number of approved placements under the Seasonal Worker Programme (by sector) (2015-2016).

Sector	Number of approved placements
Horticulture	4,470
Accommodation	50
Agriculture	15
Tourism	0
Total	4,535

Source: The Department of Immigration and Border Protection.

Note: Not all visas granted may be used.

The Seasonal Worker Incentive trial is due to commence on 1 July 2017. This two year pilot will support eligible Australian job seekers to undertake seasonal work in horticulture. The trial will be capped at 3,800 participants per financial year.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 9

Division/Agency: Agricultural Policy Division

Topic: Repeat visitors by workers

Proof Hansard Page: 50 (25.05.2017)

Senator BACK asked:

Senator BACK: Would there be any way of finding out repeat visits by individuals? Is that data you would have?

Ms Freeman: I would have to take on notice whether they were repeat. Normally the data just says how many visas were granted or held, whether they are in country or not. I do not know whether they would be repeats.

Senator BACK: I sat on the migration committee, which looked at that whole issue last year with recommendations to government. That is why I was particularly interested. The backpacker tax and the backpacker numbers—as a result of the changes to the tax regime—

Ms Freeman: Yes.

Senator BACK: Can you give us any early advice on the impact, if any, of those changes?

Ms Freeman: We are actually seeing the numbers are continuing. Obviously the changes to the working holiday visa that was announced by government applied a 15 per cent tax rate from 1 January this year. So, I think we are seeing the numbers for 2014—583—in 2015-16 and there was just a very small reduction on the previous year. I will take on notice to find out how many we are seeing since then. It might be too soon since the government made its announcement, but I can certainly take that on notice.

Senator BACK: There would be some predictions already, I would hope, being the end of May.

Ms Freeman: Yes, certainly.

Answer:

The number of repeat visitors under the Seasonal Worker Programme (by visa approval) is provided in Table 1.

Question Number: 9 (continued)

Table 1: The number of repeat visits by individuals under the Seasonal Worker Programme (by visa approval) (2015-2016).

Number of visits	Number of individuals
2	975
3	464
4	332
5	213
6	64
7	19
8	<5*
Total	2,069

Source: The Department of Immigration and Border Protection.

*number withheld for privacy reasons

The Working Holiday Maker Programme Report (31 December 2016) published on the Department of Immigration and Border Protection website (see [border.gov.au/Reports and Publications/Documents/statistics/working-holiday-report-dec16.pdf](http://border.gov.au/Reports%20and%20Publications/Documents/statistics/working-holiday-report-dec16.pdf)) indicates there has been a 2.6 per cent (3,144 applications) decline in the number of WHM visa applications lodged, comparing July - December 2016 with the same period in the previous year.

Following the end of the financial year, the Department of Immigration and Border Protection will publish the number of Working Holiday Maker visa applications received since implementation of the 15 per cent tax rate on 1 January 2017.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 10

Division/Agency: Agricultural Policy Division

Topic: Foreign entity – purchase of agricultural property

Proof Hansard Page: 51 (25.05.2017)

Senator BACK asked:

Senator BACK: In that same space, a question was raised that, if a foreign entity wanted to buy what is an agricultural property but not use it for the purposes of agriculture, for example, they might want to use it for mining or some other purpose, then it initially would not have been captured on the data, because it was not to be used for agricultural purposes. We saw that not large in terms of hectares as the leases would be, but do we know now whether that is also being captured regardless of the reason for which the foreign entity might want to purchase that land; if it is agricultural land at the time they are purchasing it, is that being captured?

Ms Freeman: I would probably defer that to Treasury just for the broader element. The department's role is quite clear that we will be asked where there might be portfolio interest in an application, but there is really a range of factors that would be considered by the government and then we would put our lens over that in that context. So, on that I would refer to Treasury.

Answer:

The definition of agricultural land for the purposes of the *Register of Foreign Ownership of Water or Agricultural Land Act 2015* is included in section 4 of that Act.

Agricultural land means land in Australia that is used, or that could reasonably be used, for a primary production business. This means that, if at the time the land is purchased it is being used wholly or predominantly for a primary production business, it will need to be registered on the agricultural land register, irrespective of the foreign person's future plans. However, a foreign person is required to update the register within 30 days of the land ceasing to meet the definition of agricultural land.

Rules made under the *Register of Foreign Ownership of Water or Agricultural Land Act 2015* provide when land will not be considered agricultural land. These rules refer to section 44 of the *Foreign Acquisitions and Takeovers Regulation 2015*.

Question Number: 10 (continued)

If land is not wholly or predominantly being used at a particular time for a primary production business, the land will not be agricultural land where it is being used for other purposes listed in section 44 of the *Foreign Acquisitions and Takeovers Regulation 2015*. This includes where:

- zoning approval is required from government before the land could be used for primary production
- the land is currently used, or proposed to be used for mining or activities ancillary to mining
- the land is used for environmental protection or conservation under a law of the Commonwealth, a State or a Territory or a legally binding agreement
- the land is located within an area that has been approved by a government authority as an industrial estate
- the size of the land is under one hectare
- the land has been approved by a government authority for use as a tourist facility, an outdoor education establishment or an outdoor recreation facility that is open to the public
- an application has been made to re-zone the land to not allow the land to be used for a primary production business, or approval has been sought to use the land for mining activities and land where the only primary production business the land could reasonably be used for is a primary production business relating to submerged plants and animals.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 11

Division/Agency: Agricultural Policy Division

Topic: Third round of Rural R&D for Profit programme

Proof Hansard Page: 51 (25.05.2017)

Senator BACK asked:

Senator BACK: I will go on to R&D. In the recent budget, as I recall it, the Australian government contribution matching industry R&D levies will reach \$300 million—the taxpayer contribution, I should say—an investment that will see farmers generating \$12 for each dollar invested by government. Can you tell me where we are with the third round of applications for the R&D for-profit program?

Ms Freeman: My colleague, Ms Musgrave, just covered that, but basically the decision—

Senator BACK: I am sorry. I was not paying attention.

Ms Freeman: That is all right. The decisions have been made for round 3. A number of those projects have already been announced by government, but there is roughly \$36 million in funds with about \$16 to \$17 million of projects already announced and the remainder to be announced in the coming weeks.

Senator BACK: Rather than take the time of the committee now, you might just point me to where I can obtain that information if it is in the public area and I can go and source it myself.

Ms Freeman: Certainly.

Senator BACK: The numbers of applications, total funding, first two rounds and so on.

Ms Freeman: Yes. We can do that.

Senator BACK: If you can just let me know where that is.

Ms Freeman: Certainly.

Mr Quinlivan: We did take all of that on notice to provide the detail.

Answer:

Grant funding of almost \$79 million (GST exclusive) has been provided under the first two rounds. This includes \$26.7 (GST exclusive) million for 12 projects under round one and \$52.2 million (GST exclusive) for 17 projects under round two.

Question Number: 11 (continued)

The department received 16 applications for round three. The Deputy Prime Minister approved seven projects, worth \$35.82 million (GST exclusive).

Five projects funded under round three have been announced. These are:

Horticulture Innovation Australia	Improving plant pest management through cross industry deployment of smart sensor, diagnostics and forecasting.	6,758,797
Forest and Wood Products Australian Limited	Increasing farm gate profits, the role of natural capital accounts	900,000
Meat and Livestock Australia Limited	Dung beetle ecosystem engineers – enduring benefits for livestock producers via science and a new community partnership model	9,174,174
Meat and Livestock Australia Limited	Wastes to profits: technologies and business models for the management of wastes in the animal industries	6,000,000
Meat and Livestock Australia Limited	Forewarned is forearmed: equipping farmers and agricultural value chains to proactively manage the impacts of extreme climate events	6,198,942

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 12

Division/Agency: Agricultural Policy Division

Topic: R&D tax concession arrangements

Proof Hansard Page: 52 (25.05.2017)

Senator KIM CARR asked:

Mr Quinlivan: Only that we obviously know it happened or is happening.

Senator KIM CARR: I want to ask whether this department has undertaken any consultation with the industry department as part of any interdepartmental committees as to the effect of the proposed changes to the R&D tax concession arrangements for companies that are engaged in agricultural or food processing?

Mr Quinlivan: Not to my knowledge.

Ms Musgrave: We do engage with the Department of Industry in relation to the three Fs review and when it came out in discussions. We have to take on notice what, if any, actual modelling has been done of the effect of the different thresholds if they were considered.

Senator KIM CARR: I am a strong supporter of the agricultural R&D program. So, do not misunderstand the import of the question. The fact is that there are significant manufacturers in food manufacturing that do not use those programs but actually use the industry department programs or the R&D tax concession that you have a direct relationship with. My question goes to whether or not you have had representations from them. That is the first question. Have you had any representations from food manufacturers? Secondly, have you made any representations to the Department of Industry in terms of the effect of those recommendations, in particular around the intensity measure, and adverse effects that may well occur for those producers?

Ms Freeman: The short answer is, no, but I would note that the AMPC, the R&D corporation for the meat processors, which is one of the 15 research and development corporations—some of them may fall into the category to which you refer.

Senator KIM CARR: Can you take that on notice?

Ms Freeman: Yes.

Question Number: 12 (continued)

Answer:

The Australian Government commissioned the Review of the Research and Development (R&D) Tax Incentive (the review) on 7 December 2015 in conjunction with the announcement of the National Science and Innovation Agenda. The review was authored by Mr Bill Ferris AC—Chair of Innovation Australia, Dr Alan Finkel AO—Australia’s Chief Scientist, and Mr John Fraser—Secretary to The Treasury. It canvassed the opinions of a broad variety of stakeholders, including a submission from the Australian Food & Grocery Council. Targeted consultation was undertaken with companies participating in the programme, peak industry and research organisations, reference groups and policy makers, and 92 submissions were received in total. The review report was publicly released on 28 September 2016.

The Government is currently considering how it will respond to the review’s recommendations. Work is being jointly led by The Treasury and the Department for Industry, Innovation and Science. It has included a public call for submissions, online survey, state-based feedback sessions, Minister-led meetings and roundtable discussions. Over 100 submissions were received during consultation on the review report.

The Department of Agriculture and Water Resources is interacting with the Department of Industry, Innovation and Science as part of the usual Government process for consideration of the review and its recommendations. The department has not received any direct representations from food manufacturers regarding the effect of potential changes to the R&D Tax Incentive.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 13

Division/Agency: Agricultural Policy Division

Topic: Cabinet meeting dates – Sugar code

Proof Hansard Page: 72 (25.05.2017)

Senator McCARTHY asked:

Senator McCARTHY: Mr Williamson, you said that there was a cabinet discussion and that there are confidential processes that surround cabinet. But in terms of advice provided to cabinet, was that around 29 March?

Mr D Williamson: It was prior to that. I think that was the point. The Treasurer and the Deputy Prime Minister announced the code on the 29th. There have been government processes in the lead up to that.

Senator McCARTHY: Can you give us some dates for when that might have been?

Mr D Williamson: I do not think we have that. I am happy to take that on notice.

Senator McCARTHY: Thank you very much.

Answer:

The Department of Prime Minister & Cabinet has advised that it is a longstanding practice not to disclose information about the operation and business of the Cabinet, including Cabinet meeting dates, as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 14

Division/Agency: Agricultural Policy Division

Topic: International Bioeconomy Forum

Proof Hansard Page: Written

Senator STERLE asked:

1. Will departmental representatives participate in the European Union's International Bioeconomy Forum?
2. If not, did the department consider attending the forum?
3. If yes, who will be attending the forum?
4. Will the Minister be attending the forum?
5. Did the department provide a briefing to the Minister about the forum?

Answer:

The International Bioeconomy Forum (IBF) was publicly launched by the European Commission at the FOOD 2030 Conference in Brussels on 13 October 2016.

The IBF is envisaged as a mechanism for potential international collaboration on research and innovation and policy issues related to the bioeconomy. The European Commission defines the bioeconomy as the set of economic activities relating to the invention, development, production and use of biological products and processes.

The Australian Mission to the European Union participated as an observer in the first multilateral preparatory meeting for the IBF, held in Brussels on 15 June 2016. Under the auspices of the IBF, the European Commission convened an international workshop on the microbiome on 14 October 2016. The Australian Mission to the European Union also attended this meeting as an observer.

There have not been any subsequent multilateral preparatory meetings for the IBF. There have not been any formal meetings of the IBF and no dates have been set for future meetings. Australia understands that the European Commission is presently giving consideration to the structure and operation of the IBF.

The question of Australian Government attendance will be considered when any further IBF meetings or initiatives are announced.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 15

Division/Agency: Agricultural Policy Division

Topic: Cost benefit analysis – 11 government agencies

Proof Hansard Page: Written

Senator ROBERTS asked:

Has cost-benefit-analysis (CBA) been undertaken on each & all of these eleven government agencies to ensure they are not just a bureaucratic hindrance to private competition, efficiency and innovation in rural industries? The agencies are: 1) Rural Industries and Research Development Corporation; 2) Horticulture Innovation Australia Limited; 3) Landcare Australia Limited; 4) Dairy Australia Limited; 5) Australian Wool Innovation Limited; 6) Grains Research and Development Corporation; 7) Plant Health Australia; 8) Australian Grape and Wine Authority; 9) Australian Meat Processor Corporation Limited; 10) Meat and Livestock Australia Limited; and 11) Australian Livestock Export Corporation (LiveCorp).

Answer:

Rural Industries and Research Development Corporation, Grains Research and Development Corporation, and the Australian Grape and Wine Authority are government agencies, classified as corporate Commonwealth entities under the *Public Governance, Performance and Accountability Act 2013*. Horticulture Innovation Australia Limited, Dairy Australia Limited, Australian Wool Innovation Limited, Australian Meat Processor Corporation Limited, Meat and Livestock Australia Limited, and Australian Livestock Export Corporation (LiveCorp) are not government agencies. Rather they are industry-owned Research and Development Corporations (RDCs), established as Australian public companies under the *Corporations Act 2001* linked to the Commonwealth through a statutory contract.

The RDCs are the government's primary vehicle for supporting rural innovation and driving agricultural productivity growth. ABARES estimates that farmers generate a \$12 return within 10 years for each dollar the government invests in agricultural R&D. The Productivity Commission's 2011 review of the RDC system also found RDCs make a significant contribution to agricultural productivity growth and acknowledged the strengths of the RDC system, notably the close links with industry.

In addition, individual RDCs carry out evaluations of their R&D. Reviews by the Council of Rural Research and Development Corporations in 2008, 2009 and 2016 noted that estimated economic returns from RDC projects and programs vary but found the overall returns are highly positive.

Question Number: 15 (continued)

Plant Health Australia (PHA) is a not-for profit company. PHA is the national coordinator of the government-industry partnership for plant biosecurity in Australia. The Australian Government (represented by the Department of Agriculture and Water Resources) is a member of PHA and pays an annual membership fee to PHA to enable it to deliver its core duties and activities. Each financial year PHA submit their Annual Operational Plan (AOP) to industry and government members for review and endorsement. The AOP outlines PHA's activities and budget for the upcoming financial year.

PHA undertook a Members Survey in 2015 to assess its performance. Member feedback was that PHA is generally performing well, the company is allocating resources correctly and is engaging members effectively in PHA activities and the plant biosecurity system.

Landcare Australia Limited (LAL) is not a government agency. It is a private not-for-profit organisation and registered charity. Australian Government funding to LAL is provided as a grant for it to undertake promotional and communication activities on behalf of the landcare community.