

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: 167

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Basis for the selection of Armidale

Proof Hansard Page: 12 (25.05.2017)

Senator CARR asked:

Senator KIM CARR: Assistant Minister, what was the basis for the selection of Armidale?

Senator Ruston: I am quite happy to take that on notice and seek advice from the senior minister.

Senator KIM CARR: You don't know?

Senator Ruston: I was not a party to that particular policy decision of government. I was not a minister at the time.

Answer:

Armidale was selected as the location for the Australian Pesticides and Veterinary Medicines Authority's relocation in the government's 2016 election commitment (www.liberal.org.au/coalitions-policy-stronger-agriculture-sector).

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 168

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: CropLife's concern – relocation of APVMA

Proof Hansard Page: 42 (25.05.2017)

Senator STERLE asked:

Senator STERLE: No, it will be a real release. Thanks, Chair. I want to go to the relocation of the APVMA for just one question. I note that CropLife has urged the government to reconsider moving the agency from Canberra, which we are well and truly aware of, warning that the delays risk losing the farming sector billions in revenue. That is CropLife's concern. So I ask you, Mr Quinlivan, and your officers: have you provided a brief to the minister or his office on the serious risk that the relocation of APVMA could have on the Australian agriculture fisheries and forestry multibillion dollar industries, as raised by CropLife?

Mr Quinlivan: Not in response to their most recent communications. But you will recall we have discussed this at length in the past, and we did brief the minister on the Ernst & Young cost-benefit analysis from which those numbers were derived, so those issues have certainly been ventilated.

Senator STERLE: I think I already know the answer, but can you share those with the committee?

Mr Quinlivan: I will take that on notice.

Answer:

The Ernst & Young (EY) cost benefit and risk analysis is available at www.agriculture.gov.au/SiteCollectionDocuments/apvma-cost-benefit-analysis.pdf. The report sets out and analyses all identified risks in Chapter 4, including potential risk treatments and mitigation measures to address them. Mitigation measures, funded as part of the government's \$25.6 million commitment, have been incorporated into the Australian Pesticides and Veterinary Medicine Authority's relocation strategy, which is available at apvma.gov.au/node/26286. The department briefed the Deputy Prime Minister on the EY report.

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Department of Agriculture and Water Resources

Question Number: 169

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Forestry Industry Advisory Council

Proof Hansard Page: 56 (25.05.2017)

Senator MCCARTHY asked:

Senator McCARTHY: I would like to have a look at the Forest Industry Advisory Council. When was the last time that the council met?

Ms Lauder: I think the FIAC last met in December last year, but there is a meeting coming up within the next month.

Senator McCARTHY: When does it meet normally? Is it every six months?

Ms Lauder: It must meet at least twice a year.

Senator McCARTHY: It must or does?

Ms Lauder: Yes, it must according to the RFA Act, but it can meet more regularly based on a needs basis.

Senator McCARTHY: What issues were raised? Was the issue of imminent wood supply shortfalls for Australian sustainable hardwoods at Hayfield or Carter Holt Harvey at Morwell raised?

Ms Lauder: No. Now that you have flagged that—it must have been a bit earlier than December, because the things that concerned them at the time were how they would implement the recommendations from the FIAC report that was provided to government. At that stage also the East Gippsland Regional Forest Agreement was about to cease. There were concerns about whether that would be extended in time before it ran out. Those were the key focuses at the time.

Senator McCARTHY: So, you now think it was before December that they met?

Ms Lauder: Yes. I have to take on notice the exact date.

Answer:

The Forest Industry Advisory Council last met on 14 December 2016.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 170

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Forest Industry Advisory Council Report

Proof Hansard Page: 57 (25.05.2017)

Senator McCarthy asked:

Senator McCARTHY: So, those are some of the recommendations that have already been implemented by the government?

Senator Ruston: Yes. There are many more. I am happy to take it on notice and give you a proper response to that.

Answer:

The following of the FIAC recommendations directed to the Australian Government have been implemented or are in the process of implementation:

Recommendation 1: That the Australian Government immediately implements its commitment to rolling 20-year Regional Forest Agreements.

The Australian Government is working closely with the relevant state governments to complete the requisite third five-yearly Regional Forest Agreement (RFA) reviews, prior to completing the joint government responses and commencing the formal extension negotiations. The RFA review and joint government response has been completed for Tasmania, and the parties are currently negotiating the extension of the RFA. The review of the Western Australian RFA has been completed and the parties are working on the joint government response to the review. The parties expect to undertake public consultation on the Victorian and New South Wales RFAs in mid-2017.

Recommendation 2: That the Australian Government commits to a \$300 million 10-year programme of mechanical fuel reduction as a bushfire mitigation measure for forest and community protection.

The Australian Government has allocated \$1.5 million to Mechanical Fuel Load Reduction Trials as part of its \$15 million National Bushfire Mitigation Programme. The trials are investigating operational, economic and environmental impacts of mechanically removing fuels or forest thinning or as an alternative to prescribed or planned burning.

Trial results are expected to be delivered in early to mid-2018. The Australian Government will consider future options when the results of the trials are known.

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Recommendation 3: That the Australian Government uses industry's strategic regional hub approach for setting government policy.

The Australian Government has commenced preliminary discussions with Western Australian officials on documenting a forest processing and resource hub for Bunbury, which can be used to inform future hub development in other jurisdictions.

Recommendation 4: That the Australian Government funds infrastructure within hubs as prioritised by industry.

The Australian Government recognises that suitable infrastructure is critical for the forest industry and is funding a number of programmes supporting infrastructure investment in regions.

The Australian Government's Agricultural Competitiveness White Paper funded the expansion of CSIRO's Transport Network Strategic Investment Tool (TraNSIT) to support future decisions on transport infrastructure investment to benefit agriculture. Following FIAC's recommendation, we have provided funding to CSIRO to include Australia's plantation forest supply chains in their modelling.

Recommendation 7: That the Australian Government provides \$40 million to establish a National Institute for Forest Products Innovation.

The Australian Government has committed \$4 million towards the establishment of a National Institute for Forest Products Innovation; \$2 million for a hub at the University of Tasmania campus in Launceston and \$2 million for a hub in Mount Gambier.

Recommendation 11: That the Australian Government immediately produces methods that enable the inclusion of commercial forest and harvested wood products in the Emissions Reduction Fund auction process.

The Australian Government is progressing the inclusion of a plantation forestry method in the Emissions Reduction Fund. Public consultation on the draft Plantation Forestry method closed in early January 2017. The Environment and Energy portfolio is considering the method.

Recommendation 18: That the Australian Government develops procurement policies that support the Australian forest industry and its broader contribution to the Australian economy.

Senator the Hon. Anne Ruston, Assistant Minister for Agriculture and Water Resources wrote to her ministerial and parliamentary colleagues suggesting they consider using Australian made paper.

The Minister for Finance has reiterated the existing non-discriminatory policy settings set out in the Commonwealth Procurement Rules.

Recommendation 19: That the Australian Government convenes a meeting of state and territory ministers responsible for forestry to discuss issues raised in this paper.

Assistant Minister Ruston met with state ministers and their representatives responsible for forestry, in December 2016 and March 2017.

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Budget Estimates May 2017

Department of Agriculture and Water Resources

Question Number: 171

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Additional Regional Forest Agreement reserves

Proof Hansard Page: 60-61 (25.05.2017)

Senator BACK asked:

Senator Ruston: Senator Back, the other question that you asked, which I do not think we answered, was in relation to how much more forest area has actually gone into reserve—

Senator BACK: Since then.

Senator Ruston: —since the RFAs were signed.

Senator BACK: Yes.

Senator Ruston: A significant amount has gone in. I do not have the figures in front of me and I do not know whether Ms Lauder does, but we will certainly provide you on notice the additional addition to the reserves post the actual signing of the RFAs.

Answer:

A summary of the forest and non-forest ecosystems in reserve prior to the Regional Forest Agreements (RFAs) being signed, and the current reservation areas for the four RFA states, is provided in Table 1.

Approximately 3 320 000 additional hectares of native ecosystems have been reserved since the Regional Forest Agreements were signed, of which approximately 3 115 000 hectares is forest (Table 1). The area of forest ecosystems in reserve has increased 59 per cent since signing the RFAs.

Table 1 – Regional Forest Agreement reserve statistics

State	Native terrestrial ecosystem	Reserves pre-RFA ('000 ha)	Current reserves ('000 ha)	Area increase ('000 ha)	Percentage increase (%)
NSW	Forest ecosystems	2,009	3,319	1,310	65
	Non-forest ecosystems	145	168	23	16
	Total native ecosystems	2,154	3,488	1,334	62
Victoria	Forest ecosystems	1,666	2,621	955	57
	Non-forest ecosystems	206	216	9	5
	Total native ecosystems	1,872	2,837	965	52
Tasmania	Forest ecosystems	978	1,512	534	55
	Non-forest ecosystems	1,327	1,477	150	11
	Total native ecosystems	2,305	2,989	684	30
Western Australia	Forest ecosystems	603	918	316	52
	Non-forest ecosystems	310	332	22	7
	Total native ecosystems	913	1,251	338	37
Total RFAs	Forest ecosystems	5,255	8,371	3,115	59
	Non-forest ecosystems	1,988	2,193	205	10
	Total native ecosystems	7,244	10,564	3,320	46

Note: Reserves are formal and informal reserves and do not include prescription reserves. Current reserves status is reported by State – NSW is at 2001, Victoria and Western Australia is at 2009, Tasmania forest ecosystems is at 2009 and includes 83,000 ha of private forest reserves, Tasmania non-forests is at 1998. Plantations, major waterbodies, non-native communities and cleared land are not included in area statements. Source: Regional Forest Agreement datasets - ABARES (2016).

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Department of Agriculture and Water Resources

Question Number: 172

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Forest Industry Advisory Council - unions

Proof Hansard Page: 62-63 (25.05.2017)

Senator MCCARTHY asked:

Senator McCARTHY: Are there any unions on the council, either as a member or as an observer?

Senator Ruston: No, I do not think so.

Senator McCARTHY: Is there any particular reason you do not need their skills or expertise?

Senator Ruston: It was not appointed by me, but I am certainly happy to find out.

Ms Lauder: It was not appointed in my time. We can come back to you on that. I know there is an observer from the skills and training side of things but not union.

Senator McCARTHY: So, you will come back to me?

Ms Lauder: Yes.

Senator McCARTHY: Would you also take on notice just in terms of what that process is to be on there as a member or as an observer?

Ms Lauder: Yes, absolutely.

Answer:

Forest Industry Advisory Council members were appointed for their collective knowledge and experience in the forest industry.

Members and observers were drawn from many parts of the forest industry, including native forests and plantations, public and private forestry, farm forestry, community and Indigenous forestry, sawmilling, pulp and paper manufacturing, timber imports, research and development, and training and education.

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Department of Agriculture and Water Resources

Question Number: 173

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Forest Stewardship Council National Standard

Proof Hansard Page: 63 (25.05.2017)

Senator MCCARTHY asked:

Senator MCCARTHY: As you are aware, the Forest Stewardship Council National Standard, whose development was partly funded by the Australian Government with \$500,000 in the 2013-14 budget, has been submitted to FSC International in Bonne without a consensus motion for principle 2 of the standard, which is about workers' rights, putting the whole standard development process at risk.

Ms Lauder: We will need to take that one on notice. I am sorry.

Senator MCCARTHY: Thank you.

Answer:

The Forest Stewardship Council (FSC) Australia, which is a national office of FSC International, is creating a localised interpretation of the global set of International Generic Indicators, known as the FSC Australian National Forestry Stewardship Standard.

FSC Australia has advised that in developing the draft National Forest Stewardship Standard, agreement was reached on all but three areas:

- Principle 2 - Workers' Rights and Employment Conditions
- Annex D - Restoration and Management Measures for Representative Sample Areas
- Definitions relating to Riparian Protection.

FSC Australia has further advised that the differences are minor, rather than substantive. FSC International's Policy and Standards Committee considered the draft National Forest Stewardship Standard in April 2017. Following advice from the Policy and Standards Committee, FSC Australia has re-engaged its Standards Development Group members and is working to resolve the outstanding issues.

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Department of Agriculture and Water Resources

Question Number: 174

Division/Agency: Sustainable Agriculture, Fisheries and Forestry Division

Topic: Timber Release Plan

Proof Hansard Page: 66 (25.05.2017)

Senator RICE asked:

Senator RICE: Can you explain to me why, on the current Timber Release Plan, which was published in January 2007, there were only two coupes that were listed as using retention harvesting compared with 376 that were to be clear felled?

Ms Lauder: No, I am sorry. I cannot. We would have to get that information from the Victorian government.

Senator RICE: That is completely inconsistent with retention harvesting being 50 per cent, moving to 100 per cent, and completely inconsistent with what Minister Ruston has told us, that that is one of the key measures that will be used to maintain populations of the Leadbeater's possums.

Senator Ruston: We will certainly need to get clarification from VicForests on that, because the advice that we got from VicForest is that that is their intention. We will get back to you on notice.

Senator RICE: Thank you.

Answer:

VicForests advises that the Timber Release Plan lists the highest impact harvesting system which may be utilised when harvesting a particular coupe. Finalisation of the actual harvesting method occurs during the final planning process and there can be delay between publishing the Timber Release Plan and final planning.

For the Ash forests within the Leadbeater's Possum range, VicForests also advises the final planning process includes consideration of the capacity for a site to be harvested using Regrowth Retention Harvesting in coupes previously designated as Clearfall. While the majority of Ash forest coupes are designated as Clearfall in the Timber Release Plan, many of these coupes are subsequently harvested under the Regrowth Retention Harvesting system.

Question Number: 174 (continued)

Consistent with the 2014 Leadbeater's Possum Advisory Group recommendations, VicForests further advises that it is moving towards Regrowth Retention Harvesting for at least 50 per cent of the area of Ash forest harvested within the Leadbeater's Possum range.

VicForests' use of Regrowth Retention Harvesting has progressed significantly since its implementation in July 2014, with the completion of 23 coupes in the 2014-15 financial year (VicForests 2014-15 Sustainability Report). According to VicForests 2015-16 Sustainability Report, 364 hectares of Regrowth Retention Harvesting had been completed in 2015-16, compared to 1051 hectares of Ash forests harvested by Clearfall. Additional information can be found at www.vicforests.com.au/about-vicforests/corporate-reporting-1/sustainability-report-2016.