

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 101

Division/Agency: Exports Division

Topic: Election Commitment

Proof Hansard page: 84

Senator CAROL BROWN asked:

Senator CAROL BROWN: What does that mean—that it is in their hands?

Mr Quinlivan: Well, we do not have a concrete proposal. The government has committed \$8.3 million to assist the development and implementation of that scheme. The industry's current figuring has a cost that is higher than \$8.3 million, so they are having to work out what sort of contribution they are willing to make or what adjustments they will make to the scheme to fit within the \$8.3 million. And at the point that the industry has reached a conclusion on that then they will be submitting a proposal to the government.

Senator CAROL BROWN: What costs have they put on it?

Mr Quinlivan: I am not sure, but I know it is in excess of \$8.3 million.

Senator McCARTHY: Can you take that on notice?

Mr Quinlivan: Well, I do not think we can answer the question. I am just saying that I know the industry's current thinking about LGAP has a price tag that is north of \$8.3 million. How far I do not know. They are developing the proposal, so they are going to have to adjust to the budget or find some additional funds internally to fund it. So, it is not really a question that we can answer. It is not our proposal.

Answer:

The department can provide the following information, which is drawn from the LGAP's projected operational budget:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Revenue	2,336,815	3,538,525	4,673,429	4,319,837	4,894,327	5,506,451
Expenses	5,165,796	6,325,949	7,377,841	7,280,605	7,918,462	8,559,875
Profit (Loss) before Tax	-2,828,981	-2,787,424	-2,704,412	-2,960,768	-3,024,135	-3,053,424

Question: 101 (continued)

Further information can be found here: <http://www.livecorp.com.au/LC/files/a6/a6fb6bb5-6234-47c5-96e7-1c1300801ee6.pdf>

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 102

Division/Agency: Exports Division

Topic: Election Commitments

Proof Hansard page: 84

Senator MCCARTHY asked:

Senator McCARTHY: What is the time frame that you are—

Mr Quinlivan: It varies between individual items.

Senator Ruston: Would you like us to go through that list?

Mr Quinlivan: Perhaps we can give you something on notice there.

Senator McCARTHY: No, that is fine.

CHAIR: If there is a chance to exhaust it while we are here, Mr Secretary, let's do it. Are you able to answer Senator McCarthy's time frame questions on the balance of these?

Mr Smalley: I would need to go through each one of those individually.

CHAIR: Please feel free.

Senator McCARTHY: No, that is fine. You can give us that on notice. Thank you. Could you provide an update on the implementation of the policy—\$8.3 million to complete implementation of the Livestock Global Assurance Program. How will this program work with ESCAS? And what elements of LGAP have already been implemented? And will there be ongoing costs for LGAP to be administered?

Answer:

1. The LGAP model has been designed by LiveCorp and Meat and Livestock Australia (MLA) as an assessment and certification assurance system to enable exporters to meet their ESCAS obligations through a third-party. LGAP trained auditors accredit facilities that meet ESCAS animal welfare standards. LGAP accreditation is maintained by facilities through regular audits.
2. No elements have been implemented, but work on preparatory arrangements is underway.

Question: 102 (continued)

3. Yes, the costs will comprise administration, risk assessments, training, access to resources and materials, auditing and certification, intended to be met by membership fees paid to the program owner.

Further information on the LGAP model is available on the LiveCorp website:
<http://www.livecorp.com.au/research-development/lgap>.

Also, see the response in question 101 from Supplementary Budget Estimates, October 2016.

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 103

Division/Agency: Exports Division

Topic: ESCAS

Proof Hansard page: 123

Senator RHIANNON asked:

Senator RHIANNON: The 2014 review of ESCAS found that nearly 13,000 animals had been transported outside approved channels between 2012 and 2014. Can you inform us how many animals have been known to move outside ESCAS since 2014?

Dr Clegg: I do not have that information with me, but I can provide it to you after this.

Senator RHIANNON: You will take that on notice?

Dr Clegg: Yes.

Senator RHIANNON: Can you also tell us which exporters were involved in each case?

Dr Clegg: The information about which exporter is involved in each case is already available on our websites. With the information I am going to get you on the number of animals, I will provide you with a link to that so you can see each of the reports we have done.

Senator RHIANNON: Will that also provide information on the penalties for each of these breaches?

Dr Clegg: Yes, it will.

Answer:

1. From 1 January 2015, 19 744 animals were identified outside ESCAS supply chains, as of 7 November 2016.
2. and 3.

These details are available in the reports published on the department's website, at the following page:

<http://www.agriculture.gov.au/export/controlled-goods/live-animals/livestock/regulatory-framework/compliance-investigations/investigations-regulatory-compliance>

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 104

Division/Agency: Exports Division

Topic: Livestock Shipping Services

Proof Hansard page: 128

Senator RHIANNON asked:

Senator RHIANNON: Thank you for explaining that, but there are repeat offenders and that is what I am trying to understand. Can you run us through how you are handling one of the repeat offenders? Livestock Shipping Services: how many critical and how many major noncompliances does that exporter have on its record?

Dr Clegg: It has several major noncompliances and it has several critical noncompliances. I will have to take a question on notice for that to give you the exact numbers, but the ratings for that company are on our website.

That company has actually improved this year. It has actually taken some risk-reduction measures itself. It did not participate in the Kuwait sales this year. Its performance in Jordan was very good. It is actually starting to turn the corner with its performance, I think. That is through the penalties that have been imposed on it and the additional costs it has had to bear to continue to supply the market, and those things are starting to change that exporter's behaviour in high-risk situations like Eid in markets where it is not the only supplier of livestock.

What we have seen this year is only one exporter actually going to Kuwait. This meant that it was responsible for everything and therefore standards lifted perhaps. We saw a similar incident in Jordan, where there were two exporters—Wellard and LSS—and Wellard decided not to participate in that market anymore. Now LSS is the only one that will be responsible and, again, I think that has changed the behaviour of LSS in that market.

Answer:

9 major, 4 critical

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 105

Division/Agency: Exports Division

Topic: Live Exports

Proof Hansard page: 129

Senator BACK asked:

Senator BACK: It is very interesting to hear that you are having everything head in the right direction. It is very interesting. Following on from Senator Rhiannon, you mentioned that 13,000 sheep, I think it was—13,000 animals—between 2012 and 2014 were estimated to have leaked out of the system. Is that figure correct?

Dr Clegg: I am going to take Senator Rhiannon's word on that, but the report will have that in it—

Senator BACK: Oh, I see. In validating that, or telling us what the figure is, would you also tell us the total number of animals that were exported during that time? And also, if you are able to do so, for beyond 2014? I would appreciate that.

Dr Clegg: Yes.

Answer:

1. Yes.

2. 2012-2014: 8 125 328

2015 to 25 October 2016: 5 730 666

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Agriculture and Water Resources

Question: 106

Division/Agency: Exports Division

Topic: Australian Standards for the Export of Livestock

Proof Hansard page: Written

Senator RHIANNON asked:

Where is the 2012 ASEL (Australian Standards For Exporting Livestock) Review up to?

- a) When will it be concluded?
- b) Will the outcome result in significant animal welfare improvements as advised by the 2011 'Bill Farmer Review' into live exports which was prompted by ABC's 4 Corners "Bloody Business" investigation?

Answer:

- 1) The Australian Standards for the Export of Livestock (ASEL) review steering committee completed their final report on 31 May 2013. The report is available on the department's website at agriculture.gov.au/export/controlled-goods/live-animals/livestock/about/history/review-of-the-asel-lesag.
 - a) The department will commence a new review of ASEL in 2017.
 - b) The Farmer Review recommended a comprehensive review of ASEL but did not make any judgements about whether significant animal welfare improvements were required. The planned 2017 ASEL review will be a comprehensive review in line with the Farmer Review recommendations.

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Agriculture and Water Resources

Question: 107

Division/Agency: Exports Division

Topic: Greyhounds

Proof Hansard page: Written

Senator RHIANNON asked:

What is the breakdown of the number of greyhounds being exported from Australia, and to which countries?

- a) Which of those transports travel via New Zealand?

Answer:

Information about greyhound exports from Australia is published on the department's website at the following location:

<http://www.agriculture.gov.au/export/controlled-goods/live-animals/live-animal-export-statistics/non-livestock-exports>

- a) In the period January-September 2016, 213 greyhounds were exported, of which 185 went to NZ.

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 108

Division/Agency: Exports Division

Topic: Greyhounds

Proof Hansard page: Written

Senator RHIANNON asked:

Do any greyhounds pass through Australia when they are being exported from one country to another? If yes:

- a) From and to which countries?
- b) Numbers per year for the past 5 years?

Answer:

The department does not keep records on this matter.

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Question: 109

Division/Agency: Exports Division

Topic: Kangaroo

Proof Hansard page: Written

Senator RHIANNON asked:

Please provide an update on the current number of export registered kangaroo meat (for human and non-human consumption) and kangaroo skin or other products establishments.

- a) How many of those in each category are currently operating and which are closed?

Answer:

There are seven establishments export registered for the production of kangaroo meat for human consumption. Under Australia's export legislation, export registration is not required for the export of kangaroo meat not intended for human consumption, or for kangaroo skins.

- a) Five of the seven establishments export registered for kangaroo meat for human consumption are currently operating.

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 110

Division/Agency: Exports Division

Topic: Kangaroo

Proof Hansard page: Written

Senator RHIANNON asked:

Please provide the most current export data for kangaroo products for the financial years for 2015-16 and up to current:

1. Including for each referenced period above:
 - a) By export commodity classification, including:
 - (i) product description including raw skins/hides (Code 41039020);
 - (ii) meat and meat offal products (Code 2089011);
 - (iii) meat unfit for human consumption (Code 5119920);
 - (iv) raw hides and skins (Code 41039020);
 - (v) Leather products (Code 41139020);
 - b) By country
 - c) By quantity/volume/weight
 - d) By Gross or unit value for each kangaroo product

Answer:

Exports of fresh, chilled or frozen meat and edible meat offal of kangaroo, as reported under the Australian Harmonised Export Commodity Classification (AHECC) 02089011. Source ABS.

Question: 110 (continued)

Country	2015-16		July- August 2016	
	Value (\$AUD Million)	Volume (tonnes)	Value (\$AUD Million)	Volume (tonnes)
Belgium	6.81	953.57	0.64	105.61
Canada	0.28	68.62		
Cook Islands	<0.01	0.75		
France	1.93	253.46	0.11	15.26
Germany	3.37	626.08	0.46	78.13
Hong Kong	0.01	0.45		
Japan	0.10	14.65	0.01	1.35
Korea, Republic of	0.17	48.45	0.08	28.20
Netherlands	2.81	388.36	0.21	30.55
New Caledonia	<0.01	0.30		
New Zealand	0.07	39.73	0.03	2.70
Papua New Guinea	1.69	640.95	0.01	1.44
Singapore	0.01	1.35		
South Africa	0.39	224.23		
United Kingdom	0.18	25.84		
United States of America	0.64	69.85		
Vietnam	0.18	49.12	0.04	9.23
Grand Total	18.65	3405.76	1.58	272.45

The department is unable to provide information for these dates for raw skins/hides of kangaroo (Code 41039020); kangaroo meat unfit for human consumption (Code 5119920); and kangaroo leather products (Code 41139020). On 1 January 2012, these product codes were merged with other commodities, meaning it is not possible to report the value and volume of these kangaroo products.

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Agriculture and Water Resources

Question: 111

Division/Agency: Exports Division

Topic: Election Commitments

Proof Hansard page: Written

Senator RHIANNON asked:

Provide an update on the implementation of the Government's policy and how the department will implement the following policies:

- a) \$8.3m to complete implementation of the Livestock Export Global Assurance programme, how will that programme work with ESCAS and what elements of LGAP have already been implemented? Will there be ongoing costs for LGAP to be administered?
- b) \$1.2m to boost research and development for the thoroughbred breeders, how will this measure be implemented? Will funding continue once the \$1.2m is fully allocated?

Answer:

- a) Please refer to the answer provided in questions 101 and 102 from Supplementary Budget Estimates, October 2016.
- b) The Australian Government has committed to investing \$1.2 million over three years to support the Australian thoroughbred industry to establish a statutory R&D levy by 1 July 2017. The Department of Agriculture and Water Resources is working with Thoroughbred Breeders Australia to confirm its proposed approach to implementing the levy. Funding for this commitment is ongoing.

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 112

Division/Agency: Exports Division

Topic: Kangaroos

Proof Hansard page: Written

Senator RHIANNON asked:

Notwithstanding the previous question, please provide an updated list of all countries that have recently agreed to import kangaroo products, and those currently being lobbied to import products made from shot kangaroos.

- a) For recently agreed kangaroo markets, please advise of the agreed quantities or volumes of kangaroo products to be imported into that countries.
- b) Which countries are currently being lobbied to grow their imports in this regard? For which specific product categories?

Answer:

Thailand is the only country that has recently agreed to the importation of edible kangaroo meat products and only on a trial basis.

Canada recently provided in principle approval for the importation of inedible kangaroo meat for pet food manufacture. However, trade cannot commence until certification is agreed.

Currently, government to government level representations are occurring for market access requests to China, Canada, India, Indonesia, and the Philippines.

- a) The department provided certification for a single shipment of 50kg of kangaroo meat for human consumption exported to Thailand. The department is not aware that import permits have been granted for any further shipments.
- b) Growth in imports for edible kangaroo meat is being sought for Japan, Singapore and Vietnam.