

Chapter 2

Agriculture, Fisheries and Forestry portfolio

Department of Agriculture, Fisheries and Forestry

2.1 This chapter contains the key issues discussed during the 2010-11 additional estimates hearings for the Agriculture, Fisheries and Forestry portfolio. A complete list of all the topics discussed, and relevant page numbers, can be found at appendix 3.

2.2 The committee heard evidence from the department on Monday 21 February 2011. The hearing was conducted in the following order:

- Corporate Finance/Corporate Policy/Corporate Services
- Wheat Exports Australia
- Biosecurity Services Group
- Climate Change
- Australian Bureau of Agricultural and Resource Economics and Sciences
- Sustainable Resource Management
- Australian Fisheries Management Authority
- Trade and Market Access
- Agricultural Productivity
- Australian Pesticides and Veterinary Medicines Authority
- Rural Industries Research and Development Corporation
- Wine Australia
- Meat and Livestock Australia

Corporate Finance/Corporate Policy/Corporate Services

2.3 The committee was interested in the impact of recent extreme weather events on the department's budget. The department indicated that it does not see any impact on the current budget. However, it is expected there will be a minor impact in relation to levy collections of administered funds.¹

2.4 The committee asked about the department's role in providing assistance to the rural sector as part of the recovery effort. The department explained that the government's response is being coordinated by the Attorney-General's Department under the National Disaster Relief and Recovery Arrangements (NDRRA) and the

1 *Proof Estimates Hansard*, 21 February 2011, pp 5 and 6.

Department of Regional Australia, Regional Development and Local Government, the main delivery agency. DAFF is involved, through ABARES, in providing advice on the impact of the floods and cyclones on the agricultural sector as part of the whole-of-government response.²

2.5 The committee expressed concern about the potential increase in costs for Exceptional Circumstances assistance due to the recent floods. The department indicated that Exceptional Circumstances (EC) assistance is not meant to be the automatic response to a disaster. It was separated from NDRRA back in the late 1980s, as NDRRA was considered to be the best way to deal, immediately, with major disasters.³ The department continued:

The flooding is very recent...If, after a period of time, it is clear that the event has resulted in a sustained income impact on the people, over and beyond what can be dealt with through the immediate response, then you might be in a situation where exceptional circumstances could be considered. But it does require two key things: a rare and severe event—a one in 20 to 25 year event—and a sustained, prolonged, downward impact on farmers' incomes.⁴

Wheat Exports Australia (WEA)

2.6 The committee raised concerns about wheat handling during the recent harvest, including complaints about near monopoly providers such as Viterra in South Australia, and whether there is sufficient transparency in the system. The committee raised a number of issues, questioning whether they are a deterrent to fair competition.⁵

2.7 WEA advised that Viterra has acknowledged there have been some problems and has commissioned an independent review. WEA observed that a number of issues are 'not our bailiwick', including whether the government and the committee should give consideration to standardising the testing of wheat. WEA indicated that if it identifies a problem that falls within its responsibility, it will conduct an audit and try to change behaviour.⁶

2.8 Members of the committee flagged their interest in a reference to the committee to further examine these issues.⁷

2 *Proof Estimates Hansard*, 21 February 2011, pp 6 and 7.

3 *Proof Estimates Hansard*, 21 February 2011, pp 8–9.

4 *Proof Estimates Hansard*, 21 February 2011, p. 9.

5 *Proof Estimates Hansard*, 21 February 2011, pp 17–22.

6 *Proof Estimates Hansard*, 21 February 2011, pp 17–22.

7 *Proof Estimates Hansard*, 21 February 2011, pp 21, 22 and 25.

2.9 The committee was interested in WEA's view of access arrangements at ports and whether the supply chain is working efficiently. WEA advised that:

The ports are operating much better than they were a couple of years ago and everyone is learning out of examples that came out of the first harvest. This is now the third harvest, and I think it is getting better and better.⁸

2.10 The committee asked WEA to provide more detail on the basis for this view.⁹ WEA explained that:

In the initial year of accreditation we conducted shipping stem audits on all the bulk handlers and a number of recommendations were made by the auditor that the bulk handlers, the port operators, picked up. In the last 12 months we have audited Viterra and they have identified some issues, as did the auditor, and they have said that they will be implementing changes and those recommendations will be implemented. We are seeing less of the issues that we did in the first year of ships sitting out of port incurring huge amounts of demurrage. So I would say that ports are operating better.¹⁰

2.11 The committee sought an update on the Productivity Commission review of wheat export marketing arrangements which recommended that WEA should be abolished from September 2011. The committee was advised that the government is currently considering the Productivity Commission's recommendations. Any significant change to the current system would require amendments to the *Wheat Export Marketing Act 2008*.¹¹

Biosecurity Services Group

2.12 Continuing its interest from budget estimates, the committee raised concerns about the current import requirements for raw prawns. The department explained that raw prawns can be imported if they come from countries or zones that are free from certain diseases or if they are classified as highly processed such as breaded, battered or marinated. Otherwise, if they have their head and shell removed, they are tested for white spot and yellow head viruses. The committee asked the department to revisit the import requirements for uncooked raw prawns which have been marinated, given that the marinade is not impregnated in the prawns and can be washed off easily.¹²

2.13 The committee sought further details of an incident in which a Biosecurity Services Group (BSG) officer mistakenly released a consignment of raw, peeled prawns intended for human consumption that had tested positive for white spot syndrome virus. The department advised that once it became aware of the incident

8 *Proof Estimates Hansard*, 21 February 2011, p. 18.

9 *Proof Estimates Hansard*, 21 February 2011, pp 24–25.

10 *Proof Estimates Hansard*, 21 February 2011, p. 24.

11 *Proof Estimates Hansard*, 21 February 2011, pp 23–24.

12 *Proof Estimates Hansard*, 21 February 2011, pp 25–26 and 29–30.

about three weeks later, the Interim Inspector-General of Biosecurity was requested to conduct a comprehensive review. He found that the mistake had been caused by human error. The second part of his review found that the likelihood of the virus entering a high-risk pathway was extremely low and the risk of it causing an outbreak in Australian prawns was negligible. He made seven recommendations to improve the department's processes and minimise the possibility of human error.¹³

2.14 The committee heard that the department also initiated a recall action and sought assistance from the importer in identifying where the prawns had been sold. Out of a total shipment of 20 tonnes, 3.5 tonnes were recalled and re-exported. The committee asked the department, on notice, to provide a list of outlets where the prawns were sold and to account for the 17 tonnes of prawns that went into the system.¹⁴

2.15 The committee was concerned about the decision of the Asian Honeybee National Management Group that it is no longer technically feasible to achieve eradication of the Asian honey bee, following consideration of advice from the Consultative Committee on Emergency Plant Pests (CCEPP). The committee was interested to know why there was a lack of consensus within the CCEPP on this issue. The department explained that three States initially had some concerns about the decision. While they agreed in the end that the bee was not eradicable, they sought a continuation for six months to gain information to provide more certainty about the decision. However, the prevailing view at the end of the meeting was that this would not provide decision-makers with any more detail.¹⁵

2.16 The committee asked if the department had done any assessment of the possible impact of the Asian honey bee on factors such as pollination, native bees, environmental biodiversity and public health. The department advised that the impact is not a feature taken into consideration in looking at whether the bee is eradicable; neither is funding. The decision is completely science based.¹⁶

2.17 The department indicated that current funding will cease on 31 March 2011. Senior Biosecurity officials and representatives of the Australian Honey Bee Industry Council will meet soon to determine any future national action beyond 31 March.¹⁷

2.18 The committee raised concerns about the use of streptomycin to control fire blight on apple trees in New Zealand and the possible risks from chemical residues on apples imported into Australia. The department advised that it has written to Food Standards Australia New Zealand (FSANZ) to seek advice on the issue. If FSANZ

13 *Proof Estimates Hansard*, 21 February 2011, p. 26.

14 *Proof Estimates Hansard*, 21 February 2011, pp 27 and 28–29.

15 *Proof Estimates Hansard*, 21 February 2011, pp 30–31.

16 *Proof Estimates Hansard*, 21 February 2011, pp 31–33.

17 *Proof Estimates Hansard*, 21 February 2011, pp 30 and 32.

considers that streptomycin residue presents a medium to high risk to human health, it will be risk listed and then inspections will be carried out by the Biosecurity Services Group.¹⁸

2.19 The committee briefly discussed the 'stop the clock' provision that has been invoked for the import risk analysis (IRA) processes for the importation of beef from the United States (US) and Canada. The issue was discussed in further detail below with the Trade and Market Access Division.¹⁹

2.20 The committee sought an update on the importation of apples from China. The department advised that 24 consignments have arrived in Australia and 16 import permits have been issued to date. The committee was interested to know whether the names of the importers are public. The department indicated that it is commercial-in-confidence information, explaining:

This is about competitiveness. Who is buying what is something that is about market share and market competition, so I do not think it is our business to provide information about that.²⁰

2.21 Notwithstanding this, the department agreed to provide a response to the committee on notice.²¹ The committee heard that all of the consignments were inspected in China by AQIS officers and verified upon arrival in Australia to confirm that the product is the same as that inspected in China. One of the consignments is currently undergoing food safety testing. If there is found to be an issue, the department will identify where the product has gone, through the importer, and provide advice to the state authority.²²

Climate Change

2.22 The committee was interested in DAFF's role in the development of the Carbon Farming Initiative. Officers advised that they have been working closely with the Department of Climate Change and Energy Efficiency on the design of the program. They have been involved in developing a consultation paper, released in November 2010, and they are part of the legislative drafting team. In addition, joint working groups have been set up between the two departments to develop a range of offset methodologies covering livestock emissions, forestry and soils (nitrous oxide and carbon).²³

18 *Proof Estimates Hansard*, 21 February 2011, pp 38–40.

19 *Proof Estimates Hansard*, 21 February 2011, p. 44. See also pp 110 and 111–113.

20 *Proof Estimates Hansard*, 21 February 2011, p. 45.

21 *Proof Estimates Hansard*, 21 February 2011, p. 46.

22 *Proof Estimates Hansard*, 21 February 2011, pp 46–47.

23 *Proof Estimates Hansard*, 21 February 2011, pp 51–52.

2.23 The committee asked officers to explain how the Carbon Farming Initiative will be designed, expressing particular interest in constraints or restrictions to avoid competition for water and food growing land. The department indicated that:

it will come down to a matter of demand and supply as to whether there is much of a demand in the market and what the price of those credits will be as to how many projects will actually get approved and up and running.²⁴

2.24 The department emphasised that under the legislation there will be periodic reviews to assess the impact on local communities, security issues and natural resource management, including water. The first review is due to take place in 2014.²⁵

2.25 The department was unable to give the committee an indication of the number of permits expected to be created under the Carbon Farming Initiative. Officers explained that 'until the market is up and running and we can see what methodologies are approved and what projects come forward, it would be hard to say'.²⁶

2.26 The committee sought an update on the pilot of drought reform measures in Western Australia. The department indicated that it has released a detailed progress report on each component of the pilot measures. The report was a requirement under the national partnership agreement with the Western Australian government and is publicly available on the drought pilot website. The department provided the committee with a summary of progress to date for each component, including applications and allocation of funding.²⁷

2.27 The committee heard that there is total funding of \$22.9 million for the pilot, with the Commonwealth Government contributing \$17.9 million and the Western Australian Government committing just over \$5 million. The pilot will finish on 30 June 2011, with payments under one component, Building Farm Businesses, to continue until June 2013. An assessment panel will report to both governments on the 'efficiency, effectiveness, appropriateness and preliminary outcomes of each of the pilot measures'. Performance will be measured against the aims and objectives and the key performance indicators defined in the national partnership agreement.²⁸

2.28 The committee expressed concerns about the Tasmanian Forest Contractors Exit Assistance Program, in view of the fact that a fraud investigation has been launched within a couple of months of applications closing. The committee asked the Minister and the department to explain how this could happen, given longstanding criticisms raised by parliamentarians and the Auditor-General about the

24 *Proof Estimates Hansard*, 21 February 2011, p. 52.

25 *Proof Estimates Hansard*, 21 February 2011, pp 52–53.

26 *Proof Estimates Hansard*, 21 February 2011, p. 53.

27 *Proof Estimates Hansard*, 21 February 2011, pp 57–58.

28 *Proof Estimates Hansard*, 21 February 2011, pp 58–60.

mismanagement of previous Commonwealth forestry grants to Tasmania.²⁹ In response, the department indicated that:

We have had allegations reported and the fraud investigations and security team is following that up. That is as much as I think I am able to say.³⁰

2.29 While the department did not consider it appropriate to discuss ongoing fraud investigations, officers offered to explain 'the processes around the management of the grants process'.³¹

2.30 The committee also discussed the following aspects of the program:

- obligations placed on successful applicants who had also received funding under a previous grant, in relation to disposal of assets purchased with proceeds from the previous grant;
- contractors claiming the exit package in Tasmania not being precluded from going to work in other states and competing against locals with no such grants;
- the impact on contractors who found their businesses stranded by the exit of other businesses upstream; and
- the appropriateness of the level of the grants, up to \$750,000, considering that the highest similar grants for farmers leaving the land due to drought are less than \$200,000.³²

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)

2.31 The committee was interested in ABARES' analysis of the impact of recent extreme weather events on agriculture. ABARES gave the committee an overview of its findings from several recent reports, including: its special report on *The impact of recent flood events on commodities*, released on 21 January 2011; the December 2010 *Australian Crop Report*; and the December edition of *Australian commodities*:

...all up, we are now saying that if you include the events from late November through to the end of January there was about a total impact of \$2 billion [on crop production] across the eastern states as a result of those weather events. That does not include the impact of Cyclone Yasi, though, which was on 3 February.³³

29 *Proof Estimates Hansard*, 21 February 2011, pp 63–64.

30 *Proof Estimates Hansard*, 21 February 2011, p. 65.

31 *Proof Estimates Hansard*, 21 February 2011, p. 64.

32 *Proof Estimates Hansard*, 21 February 2011, pp 64–66 and 72.

33 *Proof Estimates Hansard*, 21 February 2011, p. 76.

2.32 ABARES indicated that it has done some assessment on Cyclone Yasi, estimating the impact on crop production, including sugar and bananas, to be 'somewhere in the order of magnitude of \$300 million'.³⁴

2.33 The committee asked about the effect of the merger of ABARE and BRS to form ABARE-BRS, then ABARES. ABARES explained that it was not done as a cost-saving measure, with corporate support functions being combined a number of years ago. Budgets and staffing levels have now been combined and it is 'really more about...scientists and economists and social scientists working on some of the common issues'.³⁵ Officers considered that the synergy between science and economics has definitely enhanced their work in a number of areas so far, including biosecurity, forestry, climate change, water and the crop report.³⁶

2.34 The committee was advised that the Department of Resources, Energy and Tourism (RET) has decided to create its own analytical bureau within its department. ABARES is working with RET for a smooth transition, with a view to the Bureau of Resources and Energy Economics beginning operation from 1 July 2011. ABARES added that 'all questions about oil prices can then be asked of that bureau rather than this one'.³⁷ Current ABARES staff working in the resources and energy area have been offered the opportunity to move to RET or stay with ABARES.³⁸

Sustainable Resource Management

2.35 The committee asked about the mid-term review of the Caring for our Country program, including the release of a discussion paper and call for submissions. Officers explained that consultation will be a significant part of the review process, but they 'have not bedded it all down' at this stage:

We envisage holding some targeted, face-to-face consultations. We will be accepting written submissions. We will be holding consultations with key groups, such as industry groups and environment groups and state agencies, and we have also put in place a web-based discussion forum, so those people who would not normally come to a face-to-face forum—because it is too difficult or they cannot fit it in their timetable—can still engage in discussion. The experience that other people have had in doing reviews is you can reach a wider audience by using web-based tools to complement the more traditional face-to-face approaches.³⁹

34 *Proof Estimates Hansard*, 21 February 2011, p. 76.

35 *Proof Estimates Hansard*, 21 February 2011, p. 81.

36 *Proof Estimates Hansard*, 21 February 2011, pp 81–82.

37 *Proof Estimates Hansard*, 21 February 2011, p. 82.

38 *Proof Estimates Hansard*, 21 February 2011, p. 82.

39 *Proof Estimates Hansard*, 21 February 2011, p. 84.

2.36 The committee was interested to know why the decision was made to conduct an internal review, rather than using an external advisory panel. The department indicated that a range of options were considered, however, as this was a mid-term review:

a conclusion was reached that if a review were done in a fully consultative and open and transparent manner an outcome could be achieved via this process similar to what would be done via an external panel.⁴⁰

2.37 The department added that external consultants may be used to undertake part of the review. At this stage, officers are still evaluating areas of departmental expertise and seeing where external consultants would add value.⁴¹ The committee raised concerns that people may not be as forthcoming as they might be if an independent consultant was running the process, given current criticisms of the program. Officers observed that:

We see no reason why people would not be forthcoming. In fact, they are quite frank and forthcoming about the program now. If we did observe that it was a problem and they were concerned either about whether we would be taking their views on board or whether we had assessed them properly, the use of someone external to either assist with the consultation or perhaps act as an independent observer about the process and ensure that the material being brought forward was being fed into the review properly would be something we could consider.⁴²

2.38 The committee was advised that submissions close on 20 May and will be made public unless the submitter requests otherwise. The department is expecting to report to ministers in late July 2011.⁴³

Australian Fisheries Management Authority (AFMA)

2.39 The committee was interested in AFMA's assessment of current southern bluefin tuna stocks, in light of the reduced quotas set by the Commission for the Conservation of Southern Bluefin Tuna (CCSBT) in October 2009. AFMA advised that it is 'seeing a very good year' in the Great Australian Bight for two- to four-year-old fish, both in the industry aerial survey data and in the CSIRO formal structured aerial survey. However, AFMA cautioned that:

...these are two- to four-year-old fish, quite different to the adult fish which comprise the adult population, which is actually the key assessment component in the Commission for the Conservation of Southern Bluefin Tuna. It is a very good year. This is a very good sign, and we would like to think it is the sign of things to come but, just as when we have a very bad

40 *Proof Estimates Hansard*, 21 February 2011, p. 85.

41 *Proof Estimates Hansard*, 21 February 2011, p. 86.

42 *Proof Estimates Hansard*, 21 February 2011, p. 86.

43 *Proof Estimates Hansard*, 21 February 2011, pp 84, 85 and 86.

year in the Great Australian Bight it does not mean the stock is going extinct, this year, when we are having a very good year, does not mean the stock has suddenly recovered.⁴⁴

2.40 The committee heard that a new stock assessment will be conducted this year as part of the normal CCSBT process, incorporating new and improved data. The assessment is based on spawning stock, that is, fish at least ten years of age. While the current increased stocks of younger fish are considered a positive sign, officers explained that 'those fish now effectively have to go through the long-line fleets until they reach spawning age'. The assessment process will be completed in July, with recommendations to go to the CCSBT in October 2011.⁴⁵

2.41 The committee was interested in AFMA's views on claims by industry about the impact of seismic testing over Bass Strait scallop beds. AFMA advised that it is taking the industry's concerns about the die-off last year very seriously:

To that end, with the help of the industry and the Tasmanian Aquaculture and Fisheries Institute, we have undertaken a survey to look at the short-term impacts of seismic testing on the beds we are managing. The results of that survey show that they could not find any detectable difference as a result of the seismic testing in the health or survival of the scallops.⁴⁶

2.42 AFMA indicated that it is currently looking at how to design a program to detect the longer, more chronic effects of seismic testing. The CSIRO Animal Health Laboratory was requested to look at possible parasitological explanations, but no evidence of disease was found. AFMA is also meeting with the Australian Petroleum Production and Exploration Association (APPEA) to discuss possible action to minimise the overlap between scallop fishing areas and drilling and other exploration work, as a precautionary measure.⁴⁷

2.43 The committee requested an update on illegal foreign fishing. AFMA advised that apprehension numbers in northern Australian waters have dropped down to 10 for this financial year, compared with 23 and 27 for the previous two years. Numbers peaked in 2005-06 with 360 apprehensions. In the Southern Ocean, the last vessel sighted inside Australian waters was in June 2005. However, illegal, unreported and unregulated (IUU) vessels continue to operate inside the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) area on the high seas. Four IUU vessels were sighted in 2009-10 and three in 2010-11.⁴⁸

44 *Proof Estimates Hansard*, 21 February 2011, p. 91.

45 *Proof Estimates Hansard*, 21 February 2011, pp 91 and 93–94.

46 *Proof Estimates Hansard*, 21 February 2011, p. 98.

47 *Proof Estimates Hansard*, 21 February 2011, p. 98.

48 *Proof Estimates Hansard*, 21 February 2011, pp 98–99.

2.44 The committee heard that the *Oceanic Viking* has been replaced by a new vessel, the *Ocean Protector*, which came on line in October 2010 and conducted a patrol to the Southern Ocean in November 2010. AFMA indicated that it is planning for fisheries officers to participate in all of the Southern Ocean patrols for this financial year, including three Australian patrols and four French patrols.⁴⁹

2.45 The committee requested information about the appointment of Mr David Llewellyn as the Chair of the Recreational Fishing Advisory Committee in July 2010. In particular, the committee raised concerns about a possible conflict of interest while Mr Llewellyn is currently registered as a lobbyist with the Tasmanian Department of Prime Minister and Cabinet. The department indicated that, before responding to the committee, it would need to check the details of the appointment process, including whether Mr Llewellyn made any declaration in relation to his lobbyist role.⁵⁰

Trade and Market Access

2.46 The committee was interested in DAFF's response to complaints by the Australian rock lobster industry about access for exports to China. The department indicated that it has been playing a facilitative role, working with its Beijing-based councillor, AQIS, DFAT and industry to find evidence of the specific issues involved.⁵¹ The department emphasised that:

We confirmed very early on that the media reported ban was, in fact, not in place. So there is no ban in place on rock lobster to China.

...We confirmed that the Shanghai quarantine and customs area, in particular, was operating 24 hours a day, and we were not given any consignment numbers or permit numbers or any other evidence to enable us to confirm that any issue had in fact occurred with the delay of a consignment entering China.⁵²

2.47 The Minister observed that without consignment numbers or more specific information provided by industry, 'it is very hard to travel down that paper trail to establish what the issue is, quite frankly'.⁵³

2.48 The committee requested an update on red meat exports from Australia to the Russian Federation. The department advised that Russia is currently Australia's fourth-largest export destination for beef with stronger trade over the last 12 months than the previous 12 months. Following an audit of Australia's red meat system by

49 *Proof Estimates Hansard*, 21 February 2011, p. 99.

50 *Proof Estimates Hansard*, 21 February 2011, pp 100 and 101–103.

51 *Proof Estimates Hansard*, 21 February 2011, p. 104.

52 *Proof Estimates Hansard*, 21 February 2011, pp 104 and 105.

53 *Proof Estimates Hansard*, 21 February 2011, p. 105.

Russian veterinary authorities in October 2010, three plants have been temporarily suspended. The department is currently working on a response.⁵⁴

2.49 In relation to kangaroo meat exports, the department advised that it lodged a further technical submission with the Russian authorities late last year. A response was received in December, raising a number of further questions, which were followed up at a bilateral meeting in January 2011. At this stage the department has not had any confirmation that its latest response has been accepted, so there is still no access to the Russian market for kangaroo meat.⁵⁵

2.50 The committee sought an update on the import risk analysis (IRA) processes for the importation of beef from the United States (US), Canada and Japan. The department confirmed that 'the clocks have been stopped' on all three IRAs: Japan was stopped on 10 May 2010 (following an outbreak of foot-and-mouth disease); Canada on 24 November 2010; and the US on 4 February 2011. At the moment, the department is awaiting information from the US on their traceability systems. This will enable the department to do an analysis of US systems, including an inspection visit. The department has also requested information from Canada on their management, traceability and production systems. In response, Canada indicated that 'we will not provide it at this time because we do not have the resources to muster that information together'.⁵⁶

Agricultural Productivity

2.51 The committee expressed concern about the effect on the dairy industry of Coles' decision to price generic milk at \$1 per litre, including its lack of long term sustainability. The department stated that while it is aware of dairy industry concerns, at this stage it is difficult to know how long Coles will continue to absorb the price cut in their margins and how the situation will play out. The Minister observed that it is a matter that 'we do need to continue to watch very carefully'.⁵⁷

2.52 The committee was interested in the development of the Australian Animal Welfare Standards and Guidelines. The department indicated that the purpose is to complement existing state and territory legislation for the prevention of cruelty to animals, by developing a common set of standards and guidelines for implementation on a consistent basis across the country.⁵⁸

2.53 The committee raised concerns about the requirement for competency and the use of the words 'competent' and 'capable' in the draft standards. The department

54 *Proof Estimates Hansard*, 21 February 2011, p. 105.

55 *Proof Estimates Hansard*, 21 February 2011, p. 105.

56 *Proof Estimates Hansard*, 21 February 2011, pp 110 and 111–113.

57 *Proof Estimates Hansard*, 21 February 2011, pp 118–120.

58 *Proof Estimates Hansard*, 21 February 2011, pp 120–121.

explained that there is no intention to require formal examinations or testing as evidence of competence. The committee was advised that pig industry bodies will be key participants in a workshop convened by Animal Health Australia in early March to discuss this issue further.⁵⁹ However:

The formal position of the peak bodies for the sheep and cattle industries is still that they have withdrawn from participating in the standards and guidelines process, subject to the resolution of issues around consistent national implementation, particularly around ways of regulating for competence.⁶⁰

2.54 The department indicated that it would try and continue with the cooperative approach between industry and government which has been used to develop the standards to this point.⁶¹

Australian Pesticides and Veterinary Medicines Authority (APVMA)

2.55 The committee asked about additional funding provided to the APVMA. The department indicated that the APVMA will receive \$8.75 million over four years. Part of the funding

is to undertake the reform agenda that is being put forward through the better regulation partnership. Part of that funding was a recognition that APVMA's budgetary position was unsustainable, so obviously their budget position will be enhanced by that additional funding.⁶²

2.56 The committee sought an update on the Council of Australian Governments (COAG) reform process in relation to the new single national regulatory framework for agricultural and veterinary chemicals. Officers advised that a regulation impact statement will be released towards the end of the month for consultation. It will provide a series of options for implementation of the COAG reforms, rather than a preferred option, as this has not yet been determined by governments.⁶³

2.57 Following on from its discussion with the Biosecurity Services Group earlier in the day, the committee raised concerns about the use of streptomycin to control fire blight on apple trees in New Zealand. The APVMA advised that streptomycin is not registered or permitted to be used for spraying on plants in Australia. The committee asked about action the APVMA would take if streptomycin residues were found on imported fruit. Officers indicated that the APVMA does not get involved in imported

59 *Proof Estimates Hansard*, 21 February 2011, pp 121–122 and 124–125.

60 *Proof Estimates Hansard*, 21 February 2011, p. 121.

61 *Proof Estimates Hansard*, 21 February 2011, p. 121.

62 *Proof Estimates Hansard*, 21 February 2011, p. 129.

63 *Proof Estimates Hansard*, 21 February 2011, p. 130.

food issues; Food Standards Australia New Zealand (FSANZ) is the agency with responsibility for providing advice on testing for pesticide residues at the border.⁶⁴

Rural Industries Research and Development Corporation (RIRDC)

2.58 The committee was interested in the Productivity Commission (PC) review of Rural Research and Development Corporations and the RIRDC's view on recommendations in the draft report. The RIRDC advised that it welcomed the PC's findings on the strength of the research and development (R&D) model and its endorsement of the model in general terms. However, the RIRDC did not agree with the recommendation to create a new R&D corporation to cover public good work, as it considers that:

we are already covering a lot of those issues that they recommended the organisation would take, so we can see a case for RIRDC continuing in its current form and possibly expanding.⁶⁵

Wine Australia

2.59 The committee sought an update on policy changes and action taken by Wine Australia since supplementary budget estimates in relation to counterfeiting of Australian wine overseas. The Chief Executive advised that:

- as soon as allegations of counterfeiting are raised, the levy payer will be notified;
- Wine Australia has a memorandum of understanding with AQSIQ in China, which includes cooperation on counterfeiting issues;
- with the financial support of the Grape and Wine Research and Development Corporation (GWRDC), Wine Australia has undertaken a market research study into the Chinese market to understand the scale of the issue;
- levy payers have been issued with information about registering their trademarks in other markets;
- export approval control mechanisms around the export of bulk wine are in the process of being strengthened; and
- new requirements are being introduced for wine that is packaged in international markets and labelled as Australian wine.⁶⁶

64 *Proof Estimates Hansard*, 21 February 2011, pp 130–131.

65 *Proof Estimates Hansard*, 21 February 2011, p. 132.

66 *Proof Estimates Hansard*, 21 February 2011, pp 133–134.

Meat and Livestock Australia (MLA)

2.60 Following on from additional estimates in February 2010, the committee discussed the beef and cattle industry's support for the then proposal to relax import restrictions for beef from countries that have had outbreaks of bovine spongiform encephalopathy (BSE). The committee was interested in lessons learned since then, in view of the current import risk analysis process.⁶⁷

67 *Proof Estimates Hansard*, 21 February 2011, pp 134–135.

