

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Additional Estimates October 2011

Agriculture, Fisheries and Forestry

Question: 45

Division/Agency: CCD – Climate Change Division

Topic: International climate change meetings

Proof Hansard Page: 91

Senator NASH asked:

Senator IAN MACDONALD: I promised I would ask one question before I go elsewhere for the time being. Minister or Secretary, how many of your department are going to go to Durban for the climate change conference?

Senator Ludwig: Not I.

Ms Gaglia: There will be no officers from DAFF going to that.

Senator IAN MACDONALD: Okay.

CHAIR: Does anyone else have any single questions for Climate Change before I go to Senator Colbeck?

Senator NASH: Can I ask a quick follow-on from Senator Macdonald? Has DAFF attended any of the previous meetings?

Ms Gaglia: We have been to quite a number of the negotiations, but we did not go to the last one, in Mexico, and we will not be going to Durban. We had one officer in Copenhagen.

Senator NASH: Can you take on notice for me the reasons why you attended earlier ones but not Mexico?

Ms Gaglia: Not a problem.

Answer:

The portfolio attended the United Nations Framework Convention on Climate Change COP 15 in Copenhagen, to support the Australian Government negotiators in consideration of land use issues around accounting for Land Use, Land Use Change and Forestry (LULUCF). Subsequent to Copenhagen, options for LULUCF have been refined. The Department of Agriculture, Fisheries and Forestry continues to regularly consult with the Department of Climate Change and Energy Efficiency as negotiations progress.

Senate Rural Affairs and Transport Legislation Committee
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Agriculture, Fisheries and Forestry

Question: 46

Division/Agency: CCD – Climate Change Division

Topic: Exceptional circumstances exit grants

Proof Hansard page: 94

Senator BACK asked:

Senator BACK: What I am asking is: at what point did you advise the department executive and the minister that applicants were still going through the pre-assessment process with Centrelink but that your expectation would be there would be no money to actually assist them with exceptional circumstances grants?

Mr McDonald: As I said before, up until the budget—I will have to take on notice when it occurred—Centrelink, who administers this or delivers this program on behalf of the department, wrote to all those who had expressed interest in the program, so those people who may have sought a pre-assessment indication of their eligibility, and said that the program was scheduled to end on 30 June 2011. Up until that point that is what the advice was to those applicants. The applications were open to the end of the financial year, and that is what we assumed most people would have been working off when they made their applications up until the end of the financial year.

Answer:

The pre-assessment process is an optional service provided by Centrelink for farmers who were considering the sale of their farm enterprise and applying for an EC Exit Grant. It establishes whether there is a potential for meeting the eligibility requirements of the EC Exit Grant. A pre-assessment result is the outcome of a distinct process and does not constitute pre-approval for the EC Exit Grant and does not provide any priority in the application process. The pre-assessment makes it clear that it does not indicate assured success of an application for an EC Exit Grant.

The Department regularly updates the Minister on the status of budgetary measures and departmental spending. The Department works in conjunction with Centrelink in this regard. The government allocated an additional \$4.4 million to the 2011–12 budget for the Exceptional Circumstances (EC) Exit Grant program, bringing the total to \$14.0 million to enable the processing of all applications received up to the program's closure to new applicants on 10 August 2011.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2011
Agriculture, Fisheries and Forestry

Question: 47

Division/Agency: CCD - Climate Change Division

Topic: Exceptional circumstances exit grants

Proof Hansard page: 94

Senator BACK asked:

Senator BACK: Right. Could you take on notice and please advise us how many farmers you are aware of, based on pre-assessment and based on their hope or expectation, sold farms and subsequently missed out on their ECE grants. Can you tell us that now or do you need to take that on notice?

Mr McDonald: I can tell you some of that now. All those who met the requirements of the program are having their applications considered. There are a number of people who did not need meet the requirements of the program, which is the cohort that you are referring to. They did not get applications in or have not completed the sale and settlement of their farm. It is quite important to emphasise that all of those who had submitted applications up until 10 August 2011 are having their applications considered.

Answer:

The Department of Agriculture, Fisheries and Forestry does not have data on who may have intended to apply for an EC Exit Grant. Neither the intent to apply nor a pre-assessment constitute an application.

Senate Rural Affairs and Transport Legislation Committee
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Question: 48

Division/Agency: CCD – Climate Change Division

Topic: Exceptional circumstances exit grants

Proof Hansard page: 95

Senator WILLIAMS asked:

Senator WILLIAMS: I will table these two documents and you will see the changes in them. It says:

Important information

While this program has been extended for 12 months, the overall program funds are capped and as a result, the program may close earlier than scheduled.

This was added to what was on your web site. This Mr Craft auctioned his place on 26 June. To him, when the auctioneer clapped his hands and said, 'Sold', his property was sold. But it was not settled before 1 July. If he had known that you were going to change the rules, he would have auctioned it earlier so it was settled before 31 June. Now he is out of the loop, if I could call it that. Is this one of the ones you will be looking at again?

Mr Aldred: We are quite happy to take the details of any individual cases that you have on notice. Minister Ludwig has asked us to go through a process to determine the circumstances of people who believe that they have been disenfranchised by the decision. If you have specific information, we are more than happy to take it on notice and answer it.

Answer:

The requirement in the guidelines for a property to be sold and settled was the same in 2010–11 and in 2011–12.

Under the 2010–11 EC Exit Grant program, the policy guidelines included the requirement to have settled the sale of the farm enterprise and to have applied for the grant by 30 June 2011.

The 2010–11 EC Exit Grant claim form requires evidence be provided of the “original contract of sale as well as settlement documentation from a solicitor, land agent, stock and station/livestock agent” before an assessment of the claim can be made. Section 1.3 of the 2010–11 EC Exit Grant policy guidelines provides that an applicant can make a claim up to and including 30 June 2011. Section 1.5 (d) states that to qualify for an EC Exit Grant a person must have sold their farm enterprise (based on the date of settlement of the sale). Section 1.4 provides that a farmer must have sold their farm enterprise in accordance with section 1.5 before an application can be made.

There was a change in criteria for the Exceptional Circumstances (EC) Exit Grant program between the program scheduled to conclude on 30 June 2011 and the 2011–12 extension relating to the eligibility requirement for farmers to have resided within an EC declared area. The previous requirement for farmers to have resided within an EC declared area on or after 25 September 2007 was amended to on or after 1 July 2010.

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Question: 48 (continued)

Following the 10 May 2011 announcement of the 2011–12 Federal Budget, the Department of Agriculture, Fisheries and Forestry (DAFF) updated its website to notify potential applicants of this change in criteria for the 2011–12 extension of the EC Exit Grant program. DAFF also informed the Rural Financial Counselling Service. This change in criteria was also included in the 2011–12 policy guidelines for the EC Exit Grant program and the claim form. The farm enterprise that Mr Craft auctioned fell within an EC declared area that existed on or after 25 September 2007, but not on or after 1 July 2010.

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Agriculture, Fisheries and Forestry

Question: 49

Division/Agency: CCD – Climate Change Division

Topic: Tasmanian Community Forest Agreement (TCFA)

Proof Hansard page: 96

Senator MILNE asked:

Senator MILNE: I asked this previously: as a result of the deeds of agreement being offered for the Tasmanian Community Forest Agreement, a number of the grants that were made were not able to be pursued by the government. You told me last time that three of them were able to be pursued. Can you tell you what is the resolution of those—have we got the money back?

Mr Aldred: I will ask Mr Talbot to provide the details. I think we have recovered some funds on one of them. We are listed as an unsecured creditor on another.

Mr Talbot: There are two that we are still pursuing at the moment, and there is one that we have recovered some money on.

Senator MILNE: Perhaps you could take that on notice, because we are under the pump for time.

Mr Talbot: I will take it on notice, and if I find it I will make a note at the meeting.

Answer:

Please refer to the answer to Question 50 from the Supplementary Budget Estimates hearing on 17 October 2011.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2011
Agriculture, Fisheries and Forestry

Question: 50

Division/Agency: CCD – Climate Change Division
Topic: Tasmanian community forest agreement
Proof Hansard page: 96

Senator MILNE asked:

Senator MILNE: I would also like to know how many of the recipients of grants actually went broke or were sold within the three-year time frame and were not able to be pursued because the deed of agreement was altered in their favour. I will put that on notice.

Mr Talbot: Yes, I would have to take that on notice.

Mr Aldred: If you put that on notice perhaps you could make those circumstances about changing of deeds and so on clear so that we can track through those.

Senator MILNE: The Australian National Audit Office, in its audit, halfway through the program pointed out that the department changed the deeds of agreement that would normally apply under federal law under this program and, as a result, compromised the ability to get the money back. I want to know how many of those deeds actually—

Mr Aldred: Thank you, Senator. I understood from the question that you thought we had changed them subsequent to signing or something of that nature.

Senator MILNE: No. I am sorry. I was referring to the Auditor General's report.

Answer:

These cases are managed under the 'Procedures for the treatment of assets funded by the Tasmanian Community Forest Agreement Industry Development Program' (the procedures) for the Tasmanian Community Forest Agreement Industry Development Program, as published on the Department of Agriculture Fisheries and Forestry website at www.daff.gov.au/forestry/national/info/cfa/procedures.

In accordance with the funding deeds and the procedures, there have been 13 cases where the department has investigated the disposal or sale of assets:

- Seven recipients notified the department prior to a change in asset ownership. In six of these cases, the department determined that the assets continued to be used in accordance with the aims of the funding deed and no recovery action was taken. In the seventh case, the department recovered \$22 115.60 (exclusive of GST).
- Two recipients did not notify the department prior to the sale of assets. The department subsequently identified that a sale or change in ownership had occurred and recovered a total of \$94 204.55 (exclusive of GST) from the recipients.
- Four recipients are bankrupt, in receivership or liquidation. The department has initiated action in accordance with the procedures in all cases.

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Question: 51

Division/Agency: CCD – Climate Change Division

Topic: Forestry - Tasmania

Proof Hansard page: 96/97

Senator MILNE asked:

Senator MILNE: No. I am sorry. I was referring to the Auditor General's report. I would now like to go to the intergovernmental agreement. You may or may not have heard that in recent times the Tasmanian government has allocated more than a million dollars to subsidise the transport of logs from the south to the north. Can you give me a guarantee that that money is not federal government funding or that there is no federal government funding towards subsidising moving logs from the south to the north for chipping?

Mr Aldred: Funds have been provided under the intergovernmental agreement for the Tasmanian government to implement the agreement. I am not aware that any of those funds have been allocated for that purpose. I am happy to take it on notice and make inquiries of the Tasmanian government. In that sense I cannot give a guarantee at the moment. I am happy to make inquiries. I do not believe that that is the case.

Senator MILNE: Okay, so perhaps you could take on notice whether that million came out of either the intergovernmental agreement or the \$17 million that was given to Tasmania towards the end of last year to keep the wheels turning. I would just like to know that it is not federal money.

Mr Aldred: Certainly in relation to the \$17 million you are referring to, those funds were disbursed by the Commonwealth direct to contract or to recipients. Those funds were not provided to the Tasmanian government. I can give you an assurance on that.

Senator MILNE: Thank you, and perhaps you could pursue that.

Answer:

The department has been advised that the funding for the transport of logs in Tasmania is from state sources and is not part of the funding provided by the Australian Government under the Tasmanian Forests Intergovernmental Agreement.

Senate Rural Affairs and Transport Legislation Committee
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Question: 52

Division/Agency: CCD – Climate Change Division

Topic: Forestry - Tasmania

Proof Hansard page: 98/99

Senator COLBECK asked:

(from P 98)Senator COLBECK: Why are the Institute of Foresters not involved in the process in any way?

Mr Aldred: It is obviously difficult to get a full range of players on that, so in establishing the independent verification group we have looked across a range of skills sets. There is a forest person with considerable forest expertise in the verification group.

(from P 99)Senator COLBECK: Who made the final decision as to who was going to be sitting around the table? Was the decision made by the chair of that group?

Mr Aldred: I do not believe it was. I will take it on notice and confirm for you the exact decision-making process.

Answer:

A list of possible members for the independent verification group was discussed and agreed with the Reference Group of Signatories on 31 August 2011. The Signatories involved in the process include a range of stakeholders including representatives from the forest industry – FIAT, AFPA, TFCA, TCA. Appointment of members from this list was made by the Australian and Tasmanian Governments on 22 September 2011.

Senate Rural Affairs and Transport Legislation Committee
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Supplementary Budget Estimates October 2011
Agriculture, Fisheries and Forestry

Question: 53

Division/Agency: CCD – Climate Change Division

Topic: Western Australian drought pilot

Proof Hansard page: 100

Senator SIEWERT asked:

Senator SIEWERT: In terms of where we are at now, the WA pilot was extended to June next year, with Building Farm Businesses to continue to 2014. That is correct, isn't it?

Mr Aldred: That is right.

Senator SIEWERT: Can you tell me what the uptake has been since the May estimates, when we went through the figures? Can you give me the latest update of the figures, please?

Mr McDonald: We have a table here that we are happy to present for the committee's benefit.

Senator SIEWERT: That would be great. That has all the usual things that I ask about, such as what the take-up is?

Mr McDonald: It does.

Answer:

The table below was tabled at the Supplementary Budget Estimates hearing on 17 October 2011.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: 53 (continued)

Local government area (LGA)	Farm Planning Phase 2 (successful applicants from 1 July 2011 to 30 September 2011)	Building Farm Businesses (successful applicants from 1 July 2011 to 30 September 2011)	Farm Family Support* (successful applicants from 1 July 2010 to 30 September 2011)
Albany	6	0	2
Armadale	1	0	0
Ashburton	0	0	0
Augusta-Margaret River	20	0	0
Bassendean	0	0	0
Bayswater	0	0	0
Belmont	0	0	0
Beverley	9	0	0
Boddington	0	0	0
Boyup Brook	1	0	1
Bridgetown-Greenbushes	7	0	0
Brookton	2	0	7
Broomehill-Tambellup	4	0	0
Bruce Rock	6	1	11
Bunbury	0	0	0
Busselton	18	0	0
Cambridge	0	0	0
Canning	0	0	0
Capel	13	0	0
Carnamah	0	0	1
Carnarvon	8	11	12
Chapman Valley	2	1	4
Chittering	1	0	0
Claremont	0	0	0
Cockburn	0	0	0
Collie	0	0	0
Coolgardie	0	0	0
Coorow	1	1	3
Corrigin	2	5	15
Cottesloe	0	0	0
Cranbrook	1	0	0

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Question: 53 (continued)

Local government area (LGA)	Farm Planning Phase 2 (successful applicants from 1 July 2011 to 30 September 2011)	Building Farm Businesses (successful applicants from 1 July 2011 to 30 September 2011)	Farm Family Support* (successful applicants from 1 July 2010 to 30 September 2011)
Cuballing	5	1	8
Cue	0	1	0
Cunderdin	1	0	0
Dalwallinu	3	7	8
Dandaragan	5	1	0
Dardanup	3	0	0
Denmark	7	0	0
Donnybrook-Balingup	7	0	0
Dowerin	6	1	3
Dumbleyung	5	4	23
Dundas	0	0	0
East Fremantle	0	0	0
Esperance	8	10	8
Exmouth	0	0	0
Fremantle	0	0	0
Geraldton-Greenough	0	1	4
Gingin	1	0	0
Gnowangerup	8	1	3
Goomalling	4	0	1
Gosnells	0	0	0
Harvey	37	0	0
Irwin	1	1	0
Jerramungup	9	2	12
Joondalup	1	0	0
Kalamunda	0	0	0
Kalgoorlie-Boulder	0	0	0
Katanning	9	2	8
Kellerberrin	2	2	14
Kent	4	0	13
Kojonup	3	0	1
Kondinin	6	6	28
Koorda	5	1	8
Kulin	4	1	30

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Question: 53 (continued)

Local government area (LGA)	Farm Planning Phase 2 (successful applicants from 1 July 2011 to 30 September 2011)	Building Farm Businesses (successful applicants from 1 July 2011 to 30 September 2011)	Farm Family Support* (successful applicants from 1 July 2010 to 30 September 2011)
Kwinana	0	0	0
Lake Grace	15	9	52
Leonora	0	0	0
Mandurah	0	0	0
Manjimup	10	0	2
Meekatharra	0	0	3
Melville	0	0	0
Menzies	1	0	0
Merredin	7	4	15
Mingenew	0	0	0
Moora	5	1	7
Morawa	0	0	0
Mosman Park	0	0	0
Mt Magnet	1	0	0
Mount Marshall	3	1	9
Mukinbudin	2	1	13
Mullewa	1	1	3
Mundaring	0	0	0
Murchison	0	0	3
Murray	4	0	0
Nannup	3	0	0
Narembeen	2	3	7
Narrogin	2	1	5
Nedlands	0	0	0
Northam	1	0	0
Northampton	2	5	8
Nungarin	1	1	4
Peppermint Grove	0	0	0
Perenjori	3	2	4
Perth	0	0	0
Pingelly	2	0	7
Plantagenet	0	0	0
Quairading	2	0	9
Ravensthorpe	0	6	8

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: 53 (continued)

Local government area (LGA)	Farm Planning Phase 2 (successful applicants from 1 July 2011 to 30 September 2011)	Building Farm Businesses (successful applicants from 1 July 2011 to 30 September 2011)	Farm Family Support* (successful applicants from 1 July 2010 to 30 September 2011)
Rockingham	0	0	0
Roebourne	0	0	0
Sandstone	0	0	0
Serpentine-Jarrahdale	2	0	0
Shark Bay	1	0	0
South Perth	0	0	0
Stirling	0	0	0
Subiaco	0	0	0
Swan	0	0	0
Tammin	0	0	4
Three Springs	0	0	1
Toodyay	0	0	0
Trayning	1	0	2
Upper Gascoyne	0	1	1
Victoria Park	0	0	0
Victoria Plains	4	0	0
Vincent	0	0	0
Wagin	10	8	12
Wandering	2	0	0
Wanneroo	1	0	0
Waroona	4	0	0
West Arthur	1	0	5
Westonia	0	1	7
Wickepin	5	3	14
Williams	3	0	0
Wiluna	0	0	0
Wongan-Ballidu	1	2	5
Woodanilling	1	0	1
Wyalkatchem	0	0	3
Yalgoo	0	2	1
Yilgarn	6	2	7
York	1	0	1
TOTALS	356	115	451

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Question: 53 (continued)

*There is a FFS lag in between reporting demographic data and actual uptake for Farm Family Support (FFS), caused by the time it takes to perform the necessary data entry. The number reported above is for all FFS recipients for which data is available. At 30 September 2011 a total of 535 farm families had received FFS since the program commenced.

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Question: 54

Division/Agency: CCD – Climate Change Division

Topic: Western Australian drought pilot

Proof Hansard page: 101

Senator SIEWERT asked:

Mr Aldred: At the risk of dragging this out, it was not just about after farming. It is about people who have left farming dealing with farmers who are making the difficult decision.

Dr O'Connell: It was intended to assist that exodus of the adjustment.

Senator SIEWERT: I will put my next question on notice. I appreciate your point, but how do you make the farm exit strategy or program deal better with those non-monetary values? If you could take that on notice and provide your thoughts that would be great.

Answer:

The Farm Exit Support program under the Western Australian (WA) pilot of drought reform measures includes some assistance to address non-monetary barriers to farm exit through:

- allowing eligible recipients to continue living in the farm house (Clause 1.4 (a) (i) of ministerial guidelines for the Farm Exit Support program states that: “a Farm Exit Support Grant recipient may remain in the farm house if it was the principal residence at the time of settlement, with a maximum of two (2) hectares of land surrounding that house. The recipient must ensure that all other land and farm assets are sold.”
- including advice and training grants to increase information and skills for new employment post farm-ownership
- allowing eligible recipients to use grants towards re-establishment in their farm area (subject to work requirements) (see Farm Exit Support ministerial guidelines in full).

However, the review of the WA pilot by the Drought Pilot Review Panel nevertheless concluded that Farm Exit Support “does not appear to be a strong mechanism for encouraging structural adjustment because it does not address the non-monetary reasons why farmers in significant financial difficulty prefer to remain on their farms.”

The review of the WA pilot cited prior investigation by the Productivity Commission Report on drought assistance under the national drought policy review (Government Drought Support, No 46, February 2009), which said that the effectiveness and uptake of exit grants were limited by: the availability of other financial businesses assistance, such as Exceptional Circumstances Interest Rate Subsidy, which can be a disincentive to adjustment and exit; and the failure of exit grants in addressing the non-monetary barriers of lack of knowledge of alternative occupations to farming, lack of formal skills recognition and reluctance to leave the home and community. Non-monetary factors were also highlighted as a significant barrier to farm adjustment by the Expert Social Panel report under the national drought policy review (It's about people: changing perspectives on dryness, September 2008).

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Question: 54 (continued)

Further, the Productivity Commission Report said that: “while some information and social impediments that justify the inclusion of assistance in retraining in exit packages, there is little evidence to suggest that a transition out of farming would not occur as readily in the absence of exit grants as they are currently structured” (p.155).

The Beyond Farming program under the WA pilot of drought reform measures specifically aims to address the non-monetary barrier of the lack of information available to farm families in planning and making decisions about the future of their farm. It is a new program and aims to address this barrier in an innovative way. It is being delivered by the Western Australian Council of Social Service Inc (WACOSS).

Beyond Farming is a free and confidential information service. It puts current farmers in touch with former farmers, to discuss opportunities and options outside farming with people who have made a satisfying transition to new ventures in retirement, new employment or business. Mentors are volunteers who are willing to share their experiences of moving out of farming. Former farmers are selected and trained for this role.

As the review of the WA pilot commented, preliminary outcomes indicate that the program has provided support to a number of farmers considering their options outside farming. Most participants have decided to exit and are planning or taking steps to do so, through retirement, other employment or business options, and study. Through the program three are participating in a program to accredit their farm skills. The pilot review indicated the potential of this approach, but that uptake to date indicates the program needs time to be integrated into the community.

Former farmer mentors are visiting rural community meetings and field days in the pilot region and are available for on-the-spot mentoring discussions with current farmers. At 15 October 2011, at least 62 detailed on-the-spot mentoring discussions have occurred since they started being recorded in January 2011.

Farmers can also phone WACOSS to be put in touch with a mentor who best meets their requirements. At 15 October 2011, 25 farmers were formally registered to be matched for ongoing conversations with volunteer mentors.

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Agriculture, Fisheries and Forestry

Question: 57

Division/Agency: CCD – Climate Change Division

Topic: Land sector package

Proof Hansard page: 107

Senator COLBECK asked:

Senator COLBECK: You can put your interpretation on it, that is fine. My question is: how do farmers access the package? You have talked about a \$1.7 billion package; I want to know how farmers access it and how it is going to assist them.

Dr O'Connell: The specifics of the package we should have dealt with under the climate change division when the people who were dealing with that were here. We can take those questions on notice, if that helps, on the specifics of accessing the package.

Answer:

Farmers and land managers will be able to access the following measures of the Land Sector Package:

Carbon Farming Futures

The Carbon Farming Futures (CFF) program comprises five components and farmers and land managers will be able to access the following two components:

- *Action on the Ground* will provide \$99 million from 2011–12 to 2016–17 to assist industry and farming groups test and apply research outcomes in real farming situations. This component of the CFF will be accessed through competitive grants funding processes. The first funding round will open in 2011–12 and will be delivered by the Department of Agriculture, Fisheries and Forestry (DAFF).
- *Refundable Tax Offset* will use \$44 million to provide 15 per cent refundable tax offsets for farmers and land managers who install new eligible conservation tillage equipment between 1 July 2012 and 30 June 2015. This component of the CFF will be delivered by the Australian Tax Office and the Treasury.

Biodiversity Fund

The Biodiversity Fund will invest \$946 million from 2011–12 to 2016–17 to help build biodiverse connectivity and resilience in the landscape. This will be achieved by supporting the restoration and management of biodiverse carbon stores through:

- reforestation and revegetation in areas of high conservation value
- management and protection of biodiversity ecosystems, including land subject to land clearing restrictions
- action to prevent the spread of invasive species.

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Question: 57 (continued)

The fund will be accessed through competitive grants funding processes. The first funding round will open in 2011–12 and will be delivered by the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC).

Carbon Farming Initiative (CFI) Non-Kyoto Fund

The CFI non-Kyoto Carbon Fund will invest \$250 million from 2012–13 to 2018–19 for the Government to purchase CFI credits that are not counted towards Australia's emissions targets under current international accounting rules. Farmers and land managers will be able to access this measure if they are participating in the CFI. This measure will commence 1 July 2012 and will be delivered by the Department of Climate Change and Energy Efficiency (DCCEE).

Other measures of the Land Sector Package will assist farmers by:

- providing funding for research into new technologies and practices for farmers and land managers to reduce emissions and store soil carbon to be delivered by DAFF
- supporting Natural Resource Management (NRM) regions incorporate climate change mitigation and adaption components into their regional plans to be delivered by SEWPaC & DCCEE
- providing funding for an extension and outreach network to support farmers and land managers participate in the CFI to be delivered by DAFF.

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Question: 74

Division/Agency: CCD – Climate Change Division
Topic: Live cattle suspension – departmental costs
Proof Hansard page: Written

Senator EDWARDS asked:

Could the department make available updated figures provided in response to a question on notice from the Chair of the Standing Committee on Rural Affairs and Transport – References committee, dated 9 September 2011. Specifically on:

1. Live Export Business Assistance Package:
 - a. Business Assistance Payment of \$5000
 - b. Business Hardship Payment of up to \$20,000
2. Income Recovery Subsidy
 - a. Income Recovery Subsidy payments for loss of income, and
 - b. Priority assistance through Job Services Australia for those who have been retrenched as a result of the trade suspension.
3. Access to Rural Financial Counselling Service through Rural Financial Counselling Service South Australia (RFCSSA)
4. Subsidised Interest Rate (on loans of up to \$300 000)
5. Grants for financial advice and training of \$5500

For questions 1-5 data should be supplied on:

- a. the number of persons, companies and entities who have accessed the varying levels of assistance to date as outlined above, and
- b. the total cost, to date, of providing this assistance.
- c. the number of individuals that could potentially apply for each of the different assistance measures.
- d. the number of applicants that the Department anticipates will apply by the close of each of the assistance measures.
- e. the number of applicants who have applied for the assistance but have been ineligible and the reason(s) for their ineligibility.

Please note at 13 September 2011 the Department stated the Subsidised Interest Rate and Financial Advice and Training grant were being finalised with the Governments of Queensland, Northern Territory and Western Australia.

Can the Department please provide:

6. The result of the discussions with these Governments.
7. If the NT, Qld or WA Governments have contributed financially, how much have they provided, if they are providing 'in-kind' support what the nature of this support will be.
8. The date when the following were made available:
 - a. Subsidised Interest Rate
 - b. Financial Advice and Training grant
9. What is the estimated administrative cost of implementing the range of assistance measures?

Senate Rural Affairs and Transport Legislation Committee
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Question: 74 (continued)

Answer:

1-2. Uptake of the assistance programs as at 28 October 2011 is at **Attachment 1**.

3.

Summary of activities of the South Australian Rural Financial Counsellor temporarily located in the Northern Territory as at 30 September 2011				
Client contact			Stakeholder contact	
Telephone	Farm visit	Office	Gov/Centrelink/Industry	Producer/Industry meetings
77	36	8	26	10

4-5. Uptake of the assistance programs as at 28 October 2011 is at **Attachment 1**.

6. The government sought agreement and has now implemented arrangements with the Western Australia, Northern Territory and Queensland governments for them to deliver the Subsidised Interest Rate Scheme in their respective state/territory.

The Department of Human Services (Centrelink) is delivering the Financial Advice grants.

7. The assistance packages available as a result of the temporary suspension of the live cattle export trade to Indonesia are Australian Government initiatives. There are no joint funding arrangements with the Western Australia, Northern Territory or Queensland governments.

8. The Subsidised Interest Rate Scheme opened to applications on 7 October 2011.

The Financial Advice grant was extended to farmers directly involved in the live cattle export trade to Indonesia on 10 August 2011.

9. The cost of administering all assistance packages was \$4.17 million

Senate Rural Affairs and Transport Legislation Committee
 ANSWERS TO QUESTIONS ON NOTICE
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Question: 74 (continued)

Attachment 1

Assistance Measure	Live Cattle Export Assistance take-up rates as at 28 October 2011			
	Claims Received	Claims Granted	Claims Pending	Claims Rejected ⁽¹⁾
Business Assistance Payment – \$5 000 ⁽²⁾	820	778	3	39
Business Hardship Payment – \$20 000 ⁽²⁾	517	422	12	83
Income Recovery Subsidy ⁽³⁾	61	22	1	38
Priority assistance through Job Services Australia ⁽⁴⁾				
Subsidised Interest Rate ⁽⁵⁾	11	11	NIL	NIL
Financial advice grant	N/A	NIL	170	N/A

Notes:

1. Rejected claims have predominantly resulted from failure of the applicant to provide completed documentation.
2. Applications for the Business Assistance Package closed on 30 September 2011.
3. Applications for the Income Recovery Subsidy closed on 5 September 2011. The Income Recovery Subsidy was designed to assist those who were not eligible for other income support programs (e.g. Newstart Allowance). Centrelink advise that applicants who were eligible for other forms of income support were directed into these programs and their inquiry was not recorded as an application for the Income Recovery Subsidy.
4. This figure is based on registrations as at 30 September 2011.
5. The Subsidised Interest Rate Scheme was opened to applications on 7 October 2011. Of the eleven applications received and approved, 10 were from the Northern Territory and one from Queensland. The approved applicants have been provided a letter of approval for the subsidy and now need to work with their commercial lender to secure finance.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: 75

Division/Agency: CCD – Climate Change Division

Topic: Exceptional circumstances exit grants

Proof Hansard page: Written

Senator EDWARDS asked:

1. What was the total budgeted amount for the Exit Package assistance?
2. The scheme closed within 6 weeks of becoming open, how long did the Department anticipate the funding would last for?
3. How many grants were awarded?
4. How many applications for the Exit Package were received but were denied:
 - a) Due to a shortfall in funding?
 - b) Due to ineligibility? What were the main reasons applicants were ineligible?
5. How many applications did the Department anticipate/project would be received for the Exit Grant?
6. What have been the discussions post the closure of the Exit Package with regard to additional funding for this?
7. How does the Department anticipate assisting farmers who
 - a) were already in the process of selling their farm?
 - had already sold their farm?

Answer:

- 1,2,5. \$9.6 million in the Budget with an additional \$4 million allocated to bring the total Commonwealth contribution to \$14 million. The scheme was a capped program which was reflected in its guidelines.
- 3,4,6. As at 31 October not all applications have been assessed so it is not possible to give final figures for grants paid or specific reasons for rejections for this financial year. Every applicant eligible under the guidelines will receive a grant. Over the life of the program, the main reason for rejections was applicants' failure to provide evidence to support their application. Applicants were also rejected because: they had not owned the farm for five years; had not derived a significant proportion of income from the farm; their total net assets were too high; not in control of the farm; not all farm/assets sold; settlement after qualifying date; client withdrew application; sale not on commercial terms; not contributed significant labour and capital; sold before 25 September 2007; not in Exceptional Circumstances declared area; customer returned to farming; grant previously paid to diseased spouse; not Australian resident; and claim lodged after program closure. Following a rejection, a person has three months to request a review of the decision by Centrelink. See Answers to question 1, 2 and 5 above.
7. Every applicant eligible under the guidelines will receive a grant. The Government understands that a small number of people who did not meet the eligibility criteria at the time of the program's closure believe they have been disadvantaged. The Minister has directed the Department of Agriculture, Fisheries and Forestry (DAFF) to assist those farmers who had sold and settled their properties prior to the closure of the program with the lodgement of act of grace claims.

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Question: 80

Division/Agency: CCD – Climate Change Division

Topic: Live cattle suspension assistance package

Proof Hansard page: Written

Senator RHIANNON asked:

Of the funding allocated to assist farmers after live export to Indonesia was suspended what portion went unclaimed? What will the unclaimed portion be reallocated for? Will it be used to help farmers transition away from live exports to local processing or training for other industries?

Answer:

Please refer to answer to Question on Notice 74 from Supplementary Budget Estimates October 2011.

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Question: 122

Division/Agency: CCD – Climate Change Division

Topic: Carbon capture

Proof Hansard page: Written

Senator NASH asked:

Does the Government see funding Carbon capture more desirable than food production?

Answer:

No.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
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Question: 135

Division/Agency: CCD – Climate Change Division

Topic: Live exports assistance

Proof Hansard page: Written

Senator COLBECK asked:

1. How many people/businesses have applied for live exports assistance package?
2. How many have been successful?
3. How much money has been provided in assistance and under what elements of the assistance package?
4. Has there been any assessments of whether the assistance is helping all those that have been hit by the export ban.
5. Has the unilateral decision by our government impacted on trade relations with Indonesia?
6. Has the Minister spoken to or sent any correspondence to the Indonesian government in order to apologise for the unilateral decision to suspend trade or in an attempt to improve relations? If so what was the nature of this communication.
7. Given that Hugh Borrowman first assistant secretary of the Southeast Asia division of DFAT said at Supplementary Senate Estimates in October:
“There is no doubt that the issue could have been somewhat better handled”
what action has the Government and DAFF taken to ensure a better approach to trade relations with important trading partners and what action has been taken to reconcile with Indonesia?

Answer:

- 1-3. See answer to Question on Notice 74 from Supplementary Budget Estimates Hearing 2011.
4. In July 2011, the department used the Australian Bureau of Agricultural and Resource Economics and Sciences survey data and commissioned Hydros Consulting, to gather information from small-to-medium pastoralists and service businesses in the Kimberley and Northern Territory on the financial impact the temporary suspension of trade had on their businesses. The key findings were of the limited cash flow and access to working capital. Consequently, additional assistance measures were announced by the government on 10 August 2011.
5. The relationship between Australia and Indonesia remains strong, productive and cooperative.

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ANSWERS TO QUESTIONS ON NOTICE

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Question: 135 (continued)

6. Australian Government Ministers have engaged with Indonesia at high levels across all relevant ministries. Ministerial engagement has included Senator the Hon. Joe Ludwig the Minister for Agriculture, Forestry and Fisheries, the Hon. Kevin Rudd MP, Minister for Foreign Affairs, and the Hon. Dr Craig Emerson MP, Minister for Trade. Senior officials from a range of Australian Government portfolios have also engaged extensively with their Indonesian counterparts.
7. The relationship with Indonesia is of tremendous importance to Australia. Both governments have acknowledged that the relationship is at an historic high point and that no one issue can dominate the relationship.

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Question: 135 (continued)

Attachment A

Assistance Measure	Live Cattle Export Assistance take-up rates as at 28 October 2011				
	Claims Received	Claims Granted	Claims Pending	Claims Rejected ⁽¹⁾	Total Claims Paid \$m
Business Assistance Payment – \$5 000 ⁽²⁾	820	778	3	39	3.89
Business Hardship Payment – \$20 000 ⁽²⁾	517	422	12	83	7.76
Income Recovery Subsidy ⁽³⁾	61	22	1	38	0.06
Priority assistance through Job Services Australia ⁽⁴⁾					
Subsidised Interest Rate ⁽⁵⁾	11	11	NIL	NIL	0.00
Financial advice grant	N/A	NIL	170	N/A	0.00
					11.71

Notes:

1. Rejected claims have predominantly resulted from failure of the applicant to provide completed documentation.
2. Applications for the Business Assistance Package closed on 30 September 2011.
3. Applications for the Income Recovery Subsidy closed on 5 September 2011. The Income Recovery Subsidy was designed to assist those who were not eligible for other income support programs (e.g. Newstart Allowance). Centrelink advises that applicants who were eligible for other forms of income support were directed into these programs and their inquiry was not recorded as an application for the Income Recovery Subsidy.
4. This figure is based on registrations as at 30 September 2011. The Department of Education, Employment and Workplace Relations advise that of the 126 redundant workers, 19 have now been placed into new employment.
5. The Subsidised Interest Rate Scheme was opened to applications on 7 October 2011. Of the eleven applications received and approved, 10 were from the Northern Territory and one from Queensland. The approved applicants have been provided a letter of approval for the subsidy and now need to work with their commercial lender to secure finance.

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Question: 190

Division/Agency: CCD – Climate Change Division

Topic: Rural Financial Counselling Service

Proof Hansard page: Written

Senator COLBECK asked:

1. Why did it take so long for the Government to reassure the national Rural Financial Counselling Service that there would be ongoing future funding for these organisations?
2. Please provide specific details, by state and territory, of the annual budget allocations for the Rural Financial Counselling Service for the next four years.
3. Are the annual amounts that will go to the RFCS organisations less than they have been in previous years?
4. If so, does this represent a drop back to core funding?
5. Please provide details, by state and territory, of funding allocated for programs to be delivered by the Rural Financial Counselling Service in addition to core funding.

Answer:

1. Funding for the Rural Financial Counselling Service (RFCS) Program was considered as part of the 2011–12 Federal Budget process. It was announced by Minister Ludwig prior to the Budget.
2. Annual budget allocations for the individual RFCS service providers for the next four financial years (1 July 2011 to 30 June 2015) are outlined at **Attachment 1**.
3. The funding provided to RFCS organisations in 2011–12 is consistent with that provided by the Australian Government prior to the 2007 drought package.
4. The 2011–15 RFCS budget represents a return to established Australian Government funding levels after additional “top-up” drought and succession planning funding was provided at the peak of the recent drought.
5. Two RFCS service providers will be provided additional non-core funding:

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Question: 190 (continued)

Attachment 1

RFCS service provider	Year	Amount	Purpose
RFCS Queensland – South Western Region	2011–12	\$85 091.38	Providing case management services to Transitional Income Support (TIS) and Climate Change Adjustment Program (CCAP) clients in the eastern seaboard region of Queensland. In this region, rural financial counselling services are delivered by the Queensland Government through its Farm Financial Counselling Service.
RFCS South Australia	2011–12	\$100 000	Assisting Northern Territory businesses affected by the temporary suspension of the live cattle trade with Indonesia.

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Question: 190 (continued)

Attachment 1

RFCS Service Provider	2011/12	2012/13	2013/14	2014/15
RFCS NSW - Bourke	\$353,530.59	\$360,641.88	\$367,566.00	\$373,875.22
<i>State Contribution</i>	<i>\$50,000.00</i>	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>
RFCS NSW - Central West	\$1,740,310.59	\$1,775,317.07	\$1,809,402.11	\$1,840,460.28
<i>State Contribution</i>	<i>\$318,000.00</i>	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>
RFCS NSW - Northern Region	\$1,437,550.59	\$1,466,467.03	\$1,494,622.33	\$1,520,277.35
<i>State Contribution</i>	<i>\$232,000.00</i>	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>
RFCS NSW - Southern Region	\$1,484,530.59	\$1,514,392.04	\$1,543,467.47	\$1,569,960.91
<i>State Contribution</i>	<i>\$240,000.00</i>	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>
RFCS Victoria - Gippsland	\$500,560.60	\$510,629.00	\$520,433.00	\$529,366.00
<i>State Contribution</i>	<i>\$202,334.00</i>	<i>\$204,111.00</i>	<i>TBC</i>	<i>TBC</i>
RFCS Victoria - Goulburn Murray Hume	\$802,450.60	\$818,592.00	\$834,308.00	\$848,629.00
<i>State Contribution</i>	<i>\$461,609.00</i>	<i>\$464,457.00</i>	<i>TBC</i>	<i>TBC</i>
RFCS Victoria - North Central	\$741,550.60	\$756,467.00	\$770,991.00	\$784,225.00
<i>State Contribution</i>	<i>\$450,862.00</i>	<i>\$453,494.00</i>	<i>TBC</i>	<i>TBC</i>
RFCS Victoria - Wimmera South West	\$691,090.60	\$704,992.00	\$718,527.00	\$730,861.00
<i>State Contribution</i>	<i>\$235,957.00</i>	<i>\$238,410.00</i>	<i>TBC</i>	<i>TBC</i>
RFCS Victoria - Murray Mallee	\$833,770.60	\$850,542.00	\$866,872.00	\$881,752.00
<i>State Contribution</i>	<i>\$467,136.00</i>	<i>\$470,096.00</i>	<i>TBC</i>	<i>TBC</i>
RFCS Queensland - Central Southern	\$1,025,170.59	\$1,045,791.98	\$1,065,870.56	\$1,084,166.11
<i>State Contribution</i>	<i>\$157,000.00</i>	<i>\$157,000.00</i>	<i>\$157,000.00</i>	<i>\$157,000.00</i>
RFCS Queensland - South Western	\$663,250.59	\$676,591.93	\$689,582.09	\$701,418.69
<i>State Contribution</i>	<i>\$93,000.00</i>	<i>\$93,000.00</i>	<i>\$93,000.00</i>	<i>\$93,000.00</i>
RFCS South Australia	\$1,786,420.59	\$1,822,354.58	\$1,857,342.70	\$1,889,223.78
<i>State Contribution</i>	<i>\$260,000.00</i>	<i>\$260,000.00</i>	<i>\$260,000.00</i>	<i>\$260,000.00</i>
RFCS Tasmania	\$331,780.59	\$338,454.38	\$344,952.51	\$350,873.58
<i>State Contribution</i>	<i>\$40,000.00</i>	<i>\$40,000.00</i>	<i>\$40,000.00</i>	<i>\$40,000.00</i>
RFCS Western Australia	\$832,030.59	\$848,766.95	\$865,062.77	\$879,911.47
<i>State Contribution</i>	<i>\$111,000.00</i>	<i>\$111,000.00</i>	<i>\$111,000.00</i>	<i>\$111,000.00</i>
TOTAL AUST GOVT EXPEND	\$13,223,998.26	\$13,490,000.00	\$13,749,000.00	\$13,985,000.00

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Question: 191

Division/Agency: CCD – Climate Change Division

Topic: Forestry IGA

Proof Hansard page: written

Senator COLBECK asked:

1. What were the selection criteria for the members of the Independent Expert Group?
2. What is the decision making process for this group – majority, consensus, does the Chair have the casting vote?

Answer:

1. The Terms of Reference for the Independent Verification Group (IVG) were agreed with the Reference Group of Signatories on 18 August 2011. The Reference Group of Signatories subsequently discussed and agreed the areas of expertise that would be required by the Independent Verification Group on 31 August 2011. At that meeting the Reference Group of Signatories also discussed and agreed a list of names of possible members that would provide the required expertise. The members of the IVG were appointed by the Commonwealth and Tasmanian governments.
2. The IVG is not a decision making body. Its role is to assess and verify factual information and to provide advice to governments and signatories to inform their decisions. It is anticipated that all advice will be provided and endorsed by the group as a whole. In the event that there are unresolved differences of opinion, the group would reflect these differences in its advice.

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Question: 192

Division/Agency: CCD – Climate Change Division

Topic: Illegal logging

Proof Hansard page: Written

Senator COLBECK asked:

1. What is being done through the Asia-Pacific Forestry Skill and Capacity Building Program to encourage the development of appropriate certification systems that can be used by small land holders and in businesses with lower literacy levels?
2. How many people attended the ForestWorks training in forest certification in the Solomon Islands? What level of ongoing support has been offered and what are the outcomes so far?
3. Given the predictions that the timber supply in the Solomon's has only a few years left, what is the Government doing to assist in the development of country-specific guidelines to support the legality of timber products from this country?
4. What is the Government doing to assist with the specific risk of corruption related to the authorisation of timber harvest in the Solomon Islands?
5. What is the budget for Phase II of the Asia-Pacific Forestry Skill and Capacity Building Program?
6. When does this program start? Response to QON 148, May 2011 indicated the Department was in the process of finalising funding contracts, is this complete?
7. The promotion of the program states that it will fund a smaller number of longer term projects that "aim to build capacity for delivering sustainable forest management that supports efforts to reduce emissions from deforestation and forest degradation". Specifically are / have the projects been chosen?
8. What were the selection criteria?
9. Provide a current list of projects underway and planned, including location, budget and expected outcomes

Answer:

1. Phase II of the Asia-Pacific Forestry Skills and Capacity Building Program (APFSCBP) aims to build regional capacity for delivering sustainable forest management that supports efforts to reduce emissions from deforestation and forest degradation. The program is part of the International Forest Carbon Initiative (IFCI), one of Australia's climate change policies and programs.

The Department of Agriculture, Fisheries and Forestry (DAFF) is continuing to negotiate with project proponents to finalise the design of projects. Some of the projects may support small land holders progress toward certification of their forest management.

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Question: 192 (continued)

2. The objectives of the ForestWorks workshop on forest certification in the Solomon Islands were to:
- establish partnerships between key stakeholders including traditional land owners, Kolombangara Forest Plantation Limited (KFPL), Solomon Islands National Union of Workers, Ministry of Forest and the Western Provincial Government
 - identify elements of certification processes and strategies to progress these processes and the capacity building required.

37 participants attended the workshop, which identified that a partnership between KFPL and landowners would be pursued in an effort to work towards improved forest management and certification. The workshop also concluded that ForestWorks would seek further funding to continue the project. This project concluded in 2009.

3. As at 31 October 2011 the government has not proposed the development of country specific guidelines. The government is in the process of revising the Illegal Logging Prohibition Bill 2011 for a possible introduction into Parliament in 2011. The Bill will be delivering on the government's election commitment to restrict the importation of illegally logged timber products into Australia.
4. The government works through a number of multilateral forums, including the United Nations Commission on Criminal Justice and Crime Prevention, to combat illicit timber trafficking in the Asia Pacific region, although not specifically for the Solomon Islands. In 2010, the Attorney-General's Department and the Australian Transaction Reports and Analysis Centre delivered workshops on environmental crime and anti-money laundering, which representatives from the Solomon Islands attended.
- 5-7 The budget for Phase II of the APFSCBP is up to \$13.068 million.

The program will consist of four competitively selected projects (three in Indonesia and one in Papua New Guinea (PNG) and two bilateral projects with the governments of Indonesia and PNG. DAFF is negotiating bilateral arrangements with the governments of Indonesia and PNG to facilitate the implementation of the projects.

The first project under the program commenced in July 2011 with the Papua New Guinea Forest Authority (PNGFA)

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Question: 192 (continued)

8. The selection criteria for the program were:

Criterion 1. (45 per cent of overall score) Technical quality of proposal. Degree to which proposed activity contributes to achieving the APFSCBP Goal and Purpose, including:

- building the institutional and technical capacity needed to support delivery of sustainable forest management that supports efforts to reduce emissions from deforestation and forest degradation
- clear alignment with one or more of the APFSCBP component objectives and technical capacity to contribute to component outcomes
- degree to which proponents have demonstrated an understanding of key technical constraints and opportunities to build on existing activities.

Criterion 2. (30 per cent of total score) Capacity building and coordination.

Demonstrates feasibility with APFSCB program resources and show linkages to the ongoing activities of the applicant organisation/s and partners, including incountry coordination bodies.

- Aims to develop capacity in an organisational or programmatic context rather than, for instance, provide one-off training for individuals.
- Demonstrated networks and mechanisms for sharing lessons learnt with broader Reducing Emissions from Deforestation and Degradation (REDD) initiatives.
- Promote effective partnership and knowledge management.

Criterion 3. (25 per cent of total score) Project management experience and ability.

Demonstrates experience and impact in implementing capacity building activities for sustainable forest management and/or REDD.

- Demonstrates availability of skilled and capable staff to undertake the proposed activities.
- Demonstrated systems and resources to support proposed activity effectively.

9. The following project is underway:

Proponent: PNG FA

Project title: A forest management Decision Support System to assist the PNGFA with forest management and planning of operations in support of sustainable forest management.

Budget: \$601 675

Expected outcomes:

The information systems, data types and business processes required to support decision making at PNGFA will be identified, designed and developed

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Question: 192 (continued)

System administrators and system users will be trained to administrate and use the systems effectively.

Location: Run out of Port Moresby with a PNG wide focus.

DAFF is continuing to negotiate with project proponents and partner governments for the remaining projects.

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Question: 193

Division/Agency: CCD – Climate Change Division

Topic: World Forestry Congress

Proof Hansard page: Written

Senator COLBECK asked:

The Minister confirmed the 2009 World Forestry Congress was attended by an Embassy Official with no particular forestry-related knowledge or skills, and that this person attended as an observer and made “no formal intervention at the congress”.

1. Has there been a report? If so, please provide a copy.
2. What recommendations and insights were made by the Embassy Official who attended the congress?

Answer:

- 1-2. Please refer to answer Question on Notice 161 from the Budget Estimates hearing in May 2011 (refer **Attachment 1**).

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Question: 193 (continued)

Attachment 1

Division/Agency: CCD – Climate Change Division
Topic: World Forestry Congress
Proof Hansard Page: Written

Senator Colbeck asked:

Attendance at 2009 World Forestry Congress

1. Is it usual practice for Embassy Officials to attend International Forestry events on behalf of DAFF and the Government?
2. Did the Embassy Official have particular forestry-related knowledge or skills?
3. What were the outcomes of the official's attendance? Was a report made to DAFF?

Answer:

1. When a DAFF forestry official is unable to attend an international forestry event the department tasks the relevant Australian diplomatic mission to attend the event on behalf of the Australian Government. The attendance at international forestry events by officials from alternative agencies, for example the Department of Foreign Affairs and Trade, is in accordance with the Prime Minister's directive on Guidelines for the Management of the Australian Government Presence Overseas which states 'that APS agencies work together productively on issues that cross traditional agency boundaries'.
2. No.
3. DAFF tasked the Embassy Official to observe and report back on any outcomes of particular significance from the World Forestry Congress. The official attended the World Forestry Congress on 20 October 2009 as an observer, including a side event on the Montreal Process. The official made no formal intervention at the congress.

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Question: 194

Division/Agency: CCD – Climate Change Division
Topic: Reducing emissions from livestock research program
Hansard page: Written

Senator NASH asked:

1. Please provide details an update on the status of the CSIRO Livestock Industries project into the development of a methane measurement system for Australian livestock.
2. Please provide details of the expected completion date of this project.
3. This project is funded by a range of partners, please provide details of the annual contributions by each partner and total Commonwealth contribution.
4. The “Reducing emissions from livestock” research program contains a number of fundamental research projects involving such matters as rumen microbial profiling and manipulation of rumen microorganism. Please provide details of the extension and communication activities that will support the dissemination of the results of these projects

Answer:

1. The Reducing Emissions from Livestock Research Program (RELRP) Commonwealth Scientific and Industrial Research Organisation Livestock Industries project *Development of methane measurement systems for Australian livestock* is currently investigating the ability of a device to measure emissions under normal grazing conditions. The device measures methane and carbon dioxide emissions. Initial results from laboratory based experiments have been validated and further testing of the device for emissions from cattle and sheep is ongoing.
2. All RELRP projects are scheduled to be completed by 31 May 2012.
3. The following table provides a summary of annual contributions from each partner for the RELRP.

	2008-09	2009-10	2010-11	2011-12	Total Cash	In kind	TOTAL
The Commonwealth	\$1,878,624	\$3,598,788	\$3,663,987	\$2,105,566	\$11,246,965		\$11,246,965
Meat and Livestock Australia	\$752,361	\$1,069,978	\$973,005	\$681,351	\$3,476,695		\$3,476,695
Cash from other partners	\$352,700	\$237,700	\$237,700	\$0	\$828,100		\$828,100
In kind	\$2,200,617	\$4,714,575	\$4,672,766	\$2,498,434	\$0	\$14,086,392	\$14,086,392
Total	\$5,184,302	\$9,621,041	\$9,547,458	\$5,285,351	\$15,551,760	\$14,086,392	\$29,638,152

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4. RELRP has developed a communication strategy and is using a wide range of mechanisms to communicate and disseminate research outcomes, such as case studies, industry articles and media reports, as well as producer field days and workshops.

The RELRP has established four demonstration sites to communicate research outcomes to stakeholders. Each site targets a different production system. Four field days have been held so far and more will be held before the end of the program.

The outcomes of the RELRP are also being communicated through the Australia's Farming Future national extension program. This program is communicating the research findings from the Climate Change Research Program to primary producers, extension providers and key influencers through regionally focused events and case studies. The aim of these events and case studies is to help increase the awareness and where relevant, provide updated options for climate change adaptation, emissions abatement and improved productivity. The roll out of these events began in August 2011 and will continue until the end of June 2012.

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Question: 195

Division/Agency: CCD – Climate Change Division

Topic: Soil carbon research program

Proof Hansard page: Written

Senator COLBECK asked:

1. Please provide details of the total commitment of Commonwealth funds to the “Soil Carbon” research program.
2. What is the Commonwealth contribution to the Tasmanian based project investigating Tasmanian vegetable and dairy systems?
3. Given the fluctuations in soil carbon related to cultural practices and the need to understand the longer term soil carbon trends, what are the timeframes for funding commitments for each of the projects in this program:
 - Soil carbon research program overarching project
 - South eastern SA cereals, sheep and beef systems and Australia wide perennial sheep pastures
 - South west Western Australia; Cereal, sheep and beef systems
 - Victoria dairy, sheep, cereal and beef systems
 - Northern rangelands beef systems
 - Queensland cereals and sugar
 - New South Wales cereals, cotton, sheep and beef systems
 - New South Wales cereals and beef
 - Tasmanian vegetables and dairy systems.
4. What budget allocations have been made to support research into the impacts of orchards and viticultural enterprises?
5. Please provide details of the extension and communication activities that will support the dissemination of the results of these projects.

Answer:

1. Total commitment of Commonwealth funds to the Soil Carbon Research Program (SCRP) is \$9 611 000.
2. The Tasmanian project under the SCRCP is entitled ‘Soil organic carbon balances in the key soil types and major land use systems of Tasmania’. The Commonwealth contribution to this project is \$600 000.
3. The projects under the SCRCP commenced in April 2009 and are funded until June 2012.

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Question: 195 (continued)

4. The Climate Change Research Program Round 1 did not receive any expressions of interest for projects examining the impacts of horticulture or viticulture on soil carbon.
5. The outcomes of the SCRP are being communicated through the Australia's Farming Future national extension program. This program is communicating the research findings from the Climate Change Research Program to primary producers, extension providers and key influencers through regionally focused events and case studies. The aim of these events and case studies is to help increase the awareness and where relevant, provide updated options for climate change adaptation, emissions abatement and improved productivity. The roll out of these events began in August 2011 and will continue until the end of June 2012.

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Question: 196

Division/Agency: CCD – Climate Change Division

Topic: Promoting forest products

Proof Hansard page: Written

Senator COLBECK asked:

What is the Department doing to promote the merits of timber and timber products?

Answer:

The Australian Government committed \$9 million to the Forest Industries Development Fund, a competitive grants program to boost the international competitiveness of Australia's forest products. The two rounds of funding resulted in 18 projects being supported that identified:

- new timber products - shift from low to high value products
- improvements in cost efficiencies across the value chain
- new uses for wood
- new wood processing/production initiatives that will achieve value adding outcomes.

In addition the Australian Government provides research and development funds to Forest and Wood Products Australia (FWPA). The government matches the contributions provided by the forest industry through levies collected by the department's Levies Revenue Service. The funds are used by FWPA to fund research that benefits the forestry and forest products industries.

Industry also contributes to FWPA a component of its levy for marketing of forest products.

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Question: 197

Division/Agency: CCD – Climate Change Division

Topic: National drought policy reform – WA pilot review

Proof Hansard page: Written

Senator COLBECK asked:

1. What are the outcomes and recommendations of the review?
2. Does the Department agree with the findings that there is an ongoing need for an income support safety net, ongoing social support services and access to farm business planning similar to that already provided under Exceptional Circumstances?

Answer:

1. The outcomes and recommendations of the review are available on the Department of Agriculture, Fisheries and Forestry website at www.daff.gov.au/agriculture-food/drought-pilot.
2. The review's findings will inform further government consideration of national drought policy reform.

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Question: 198

Division/Agency: CCD – Climate Change Division

Topic: Carbon tax and the CFI

Proof Hansard page: Written

Senator COLBECK asked:

1. Research into the impact of a carbon price on Australian farm businesses has been conducted by independent researchers at the Australian Farm Institute. Has the Climate Change division undertaken similar research?
2. If not, why not?
3. Wouldn't this sort of research be part of a regulatory impact assessment process?
4. We note that the biodiversity funding commitment escalates dramatically in 2013-14, at the same time as the present Caring for our Country program ceases, why does the funding ramp up so dramatically at this time?
5. The CFI and associated assistance packages are a one off injection of funds over a short timeframe. How will producers be compensated for losses of up to 5.4% in the longer term?
6. What work has been undertaken by the Climate Change Division regarding the carbon tax since the announcement of the carbon price?
7. Is the CFI focussed only on requiring uptake of new practices rather than recognising and supporting good practices already underway?
8. What consideration has been given to that fact that this approach does not encourage producers that are not yet up to "common practice"? How are these people encouraged to uptake "common practice
9. What is the process for selecting the "Domestic Offsets Integrity Committee"?
10. Has this committee been selected, and if so, who is on it?

Answer:

- 1-2. The Climate Change Division has not directly undertaken, nor commissioned, research into the impact of the carbon price on Australian farm businesses. The Treasury has responsibility for coordinating the whole-of-government approach to modelling the impacts of the carbon price on the Australian economy.

As part of this work, Treasury commissioned the Australian Bureau of Agriculture and Resource Economics and Science to update the 2007–08 land use change estimates and analysis and the Department of Climate Change and Energy Efficiency was commissioned to provide indicative estimates of abatement from the Carbon Farming Initiative. These consultant reports are publicly available on Treasury's website.

3. The Department of Climate Change and Energy Efficiency has responsibility for policy in relation to the carbon price, including any impact assessment processes.

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4. The Department of Sustainability, Environment, Water, Population and Communities is responsible for administering the Biodiversity Fund and questions should be referred to that portfolio.
5. The Carbon Farming Initiative (CFI) creates an ongoing market opportunity for landholders to generate additional income through reducing greenhouse gas emissions or increasing carbon stocks. Treasury modelling suggests that the CFI market will grow in both scale and value as the cost of carbon increases in domestic and international markets. The Clean Energy Future Plan establishes a number of ongoing programs to support and encourage participation in the CFI and to help landholders adopt sustainable management practices. Treasury modelling estimates that under a carbon price agricultural gross outputs will increase by 130 per cent between 2010 and 2050 and the agricultural share of economy wide employment will increase from 2.4 per cent in 2020 to 4.1 per cent in 2050.
6. The Climate Change Division has been working to implement its component of the Carbon Farming Futures initiative. The division has developed guidelines for a competitive grants funding round for the Filling the Research Gap and Extension and Outreach programs.

The department has initiated an open tender for a consultancy to map existing extension networks and advise on how best to target activities for the extension and outreach component of the Carbon Farming Futures initiative. Applications closed on 20 October 2011 and are being assessed.

The department has been working with the Australian Bureau of Statistics to design and test a land management practices survey, funded under the Carbon Farming Futures initiative. The survey instrument is being tested in November and is on track for the first survey to be undertaken in the second half of 2012.

- 7-8. The intent of the CFI is to reduce emissions and sequester carbon not to provide credits for practices commonly undertaken. Over time the CFI is expected to drive broader practice change within the agriculture sector.
9. The Domestic Offsets Integrity Committee (DOIC) is an independent expert panel established under CFI legislation. Each DOIC member is to be appointed by the Minister for Climate Change and Energy Efficiency based on legislated criteria, including a requirement that members have substantial expertise or knowledge and significant standing in at least one relevant field of expertise.
10. The Minister for Climate Change and Energy Efficiency established an interim DOIC on 27 October 2010. Members are Mr Duncan McGregor (chair), Mr Rob Fowler, Professor Annette Cowie, Dr Brian Keating, and Ms Shayleen Thompson.

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Question: 199

Division/Agency: Climate Change Division

Topic: Exceptional circumstances exit grant

Proof Hansard page: Written

Senator COLBECK asked:

1. Who made the decision on the announcement of funds running out and how long after the Minister was briefed on the issue was the decision made?
2. What was the advice for the Minister from the department regarding farms that had entered into irreversible sale contracts by August 10 and would qualify for the exit grant yet would miss out due to lack of funds?
3. What communication was there between the department and Centrelink, the agency responsible for distributing the funds?
4. What warning was Centrelink given on the funds running out?
5. Are you aware of the 31 cases of farmers in Victoria who missed funding cited by the Rural Financial Counselling Service - 19 had sold their properties and were waiting for the settlement and 12 more had finalised their settlements?
6. Have these cases been investigated and what have been the results of the investigations?
7. How many more cases are you aware of there from other states where farmers had entered into irreversible sale contracts by August 10 and would have qualified for the exit grant yet would miss out due to lack of funds?
8. What has been done to address these cases?

Answer:

- 1&4 Briefings were prepared for Minister Ludwig, which led to government consideration and decision of the matter as announced. This involved the Department of Human Services (Centrelink), and resulted in the allocation of an additional \$4.4 million to the 2011-12 budget for the Exceptional Circumstances (EC) Exit Grant program, bringing the total to \$14.0 million. The additional funding that has been made available is to enable the processing of all applications received up to the program's closure to new applicants on 10 August 2011.
2. Every eligible applicant will receive a grant with no eligible applicant missing out on the grant due to lack of funds.
3. The Department of Human Services (Centrelink) and DAFF communicate regularly on the delivery and performance of the EC Exit Grant program.
- 5-8 The government understands that there are a number of people who did not meet the eligibility criteria at the time of the program's closure and who believe that they have been disadvantaged. Minister Ludwig has instructed DAFF to assist affected people with the lodgement of act of grace claims.