

**Senate Standing Committee on Rural and Regional Affairs and Transport**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2007

**Agriculture, Fisheries and Forestry**

**Question no:** F&A 01

**Division/Agency:** Food and Agriculture

**Topic:** Australian Grown Labelling Initiative

**Hansard page:** 51 (14/02/07)

**Senator Heffernan asked:**

**Chair**—So 50 per cent of the costs could be distribution and the mark-up?

**Mr Souness**—There are guidelines that the ACCC have as to what can be counted and what cannot be counted.

**Chair**—You might provide those for us?

**Mr Souness**—Yes, I am happy to.

**Answer:**

The Australian Competition and Consumer Commission (ACCC) publication *Food and beverage industry: Country of origin guidelines to the Trade Practices Act* can be found at:

<http://www.accc.gov.au/content/index.phtml/itemId/306388>

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 02

**Division/Agency:** Food and Agriculture

**Topic:** Sugar Industry Restructure Package

**Hansard page:** 53 (14/02/07)

**Senator O'Brien asked:**

Now that the sugar industry restructure package is about at its end, can the committee be provided with an update on the total expenditure under each element of the program and the numbers of people who have successfully gained access to each element of the program and by region, if possible?

**Answer:**

Details of the Sugar Industry Reform Programme 2004 expenditure to 30 January 2007 are **attached**. Where possible, successful applicants by region are included.

**[F&A 02 attachment]**

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 03

**Division/Agency:** Food and Agriculture

**Topic:** Surveillance of Country of Origin Labelling Laws

**Hansard page:** 28 (14/02/07)

**Senator O'Brien asked:**

I note the recent introduction of country of origin labelling laws. Has the department undertaken any monitoring or surveillance to determine whether there has been an improvement in the labelling of fresh produce?

**Answer:**

Enforcement and compliance of all food law including labelling is the responsibility of the states and territories and data on complaints and actions regarding Country of Origin Labelling are held by state and territory authorities.

The Department of Agriculture, Fisheries and Forestry provides funds for the establishment, promotion and support of a 1800 number to allow consumers to refer concerns about mislabelled seafood to the relevant state and territory agency for action.

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 04

**Division/Agency:** Food and Agriculture Division

**Topic:** World Wine Trade Group agreement on labelling

**Hansard page:** 96 (14/02/07)

**Senator O'Brien asked:**

Will this decision impact on all winemakers or just those who export their product?

**Answer:**

The agreement does not require winemakers who operate only in the domestic market to change their wine labelling to this approach. However, winemakers that operate in both the domestic and export markets will benefit from being able to use this approach as it enables the use of a single front label for the domestic market as well as in World Wine Trade Group participant markets and the European Union market (which already allows this approach to wine labelling).

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 05

**Division/Agency:** Food and Agriculture Division

**Topic:** World Wine Trade Group agreement on labelling

**Hansard page:** 96 (14/02/07)

**Senator O'Brien asked:**

Perhaps you can at the same time find out whether Australia's main international competitors in the industry, such as Chile and South Africa, also signed up to the treaty.

**Answer:**

The following countries signed the World Wine Trade Group Agreement on Requirements for Wine Labelling: Argentina, Australia, Canada, Chile, New Zealand and the United States of America. South Africa has indicated that it will accede to the agreement at some point in the future.

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 06

**Division/Agency:** Food and Agriculture Division

**Topic:** World Wine Trade Group agreement on labelling

**Hansard page:** 96-97 (14/02/07)

**Senator O'Brien asked:**

Further, the minister's press release says that the World Wine Trade Group member nations account for 47 per cent of Australia's wine exports. Can we get a list of which nations are members and which are not.

**Answer:**

The following countries are participants in the World Wine Trade Group: Argentina, Australia, Canada, Chile, New Zealand, South Africa and the United States of America.

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 07

**Division/Agency:** Food and Agriculture Division

**Topic:** World Wine Trade Group agreement on labelling

**Hansard page:** 97 (14/02/07)

**Senator O'Brien asked:**

The minister also said that the implementation of this treaty would mean a cost saving of \$25 million a year for the Australian industry. Can we get details of how that figure was calculated.

**Answer:**

The Winemakers' Federation of Australia estimated that the Wine Labelling Agreement has the potential to provide significant cost savings (\$25 million per year) to the Australian industry. The Australian Bureau of Agriculture and Resource Economics (ABARE) undertook an assessment of the proposed savings and concurred with the \$25 million per year estimate. Specifically ABARE confirmed the below estimates:

*Direct cost savings*

Printing costs - \$11.1 million

Production line - \$1.6 million

*Indirect cost savings*

Template savings per variety - \$1.9 million

Label inventories - \$171,000

Finished goods inventory - \$6 million

*Other cost savings*

Reduction in wastage - \$3.5 million

Reduction in re-labelling of wines sent to alternative markets than originally intended - \$434,000

Labour savings in label procurement - \$326,000

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 08

**Division/Agency:** Food & Agriculture

**Topic:** Possible provision of PMR report

**Hansard page:** 28 (14/02/07)

**Senator O'Brien asked:**

**Senator Abetz**—In brief, you would like the document made available?

**Senator O'Brien**—I am not asking for it to be produced to the estimates—let me be clear. It could not be produced confidentially to the estimates. I am asking the minister to give consideration to producing that confidentially to this committee in another forum.

**Senator Abetz**—That is exactly what I was going to suggest. We can take that on notice, if you like, rather than explore it now, and then the minister can indicate what reasons there are for his decision.

**Senator O'Brien**—He could not provide it confidentially to the estimates, that is clear, so it would have to be to another forum.

**Chair** I read that out at the beginning.

**Senator O'Brien**—Yes. I ask the minister to indicate whether, in another forum, he would be prepared to consider such a request.

**Senator Abetz**—Yes, we will take that on notice.

**Answer:**

The Minister requests that the Senate Rural and Regional Affairs and the Transport Legislation Committee write to him setting out the forum it proposes for the provision of the 2006 Performance Monitoring Report (PMR), and the conditions under which such a release would occur.

Before agreeing to any request for the provision of the PMR the Minister will need to consult with the Wheat Export Authority, AWB (International) Ltd and AWB Ltd to determine the confidentiality of any material in the PMR. This includes whether any of the information is captured under section 5E of the *Wheat Marketing Act 1989*. A breach of the confidentiality provisions under the *Wheat Marketing Act 1989* is punishable by one year imprisonment and the Minister will need to make sure any release is in compliance.



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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 09

**Division/Agency:** Food and Agriculture Division

**Topic:** Contingent funding for the tobacco industry

**Hansard page:** 5 (14/02/07)

**Senator O'Brien asked:**

**Senator O'Brien**—When we were dealing with the PBS last May, this item, \$10 million, described as ‘other decision yet to be announced’, was in fact about a decision which had been taken to allocate \$10 million to assist the tobacco industry or the restructuring or some other activity in the tobacco industry?

**Dr Samson**—I repeat, it certainly had not been announced. I am not personally aware at what point the decision was made. We can check that and verify it in the course of the morning.

**Senator O'Brien**—So the \$10 million was about the tobacco industry. You are going to confirm whether a decision had formally been made at the time of the budget hearing where we asked these questions.

**Dr Samson**—Yes.

**Answer:**

The initial decision to provide funding for restructuring grants to tobacco growers was made during April 2006.

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**Agriculture, Fisheries and Forestry**

**Question no:** F&A 10

**Division/Agency:** Food and Agriculture Division

**Topic:** Variations in the PAES

**Hansard page:** 5 (14/02/07)

**Senator O'Brien asked:**

**Senator O'Brien**—We will return to that, I suspect, with Food and Agriculture. On page 17 of the PAES, in table 1.3 under 'Other variations' there is minus \$10 million in the current financial year and minus \$4.1 million in the coming financial year. Is the \$10 million there the one we have just been discussing in tobacco?

**Mr Bridge**—Yes, it is.

**Senator O'Brien**—Can you tell me what the \$4.1 million saving for 2007-08 relates to?

**Mr Bridge**—My understanding is it is the same, but I will confirm that for you later this morning.

**Answer:**

The \$4.1 million reduction in 2007-08 relates to restructuring grants for tobacco growers.