

Chapter 2

Agriculture, Fisheries and Forestry portfolio

Department of Agriculture, Fisheries and Forestry

2.1 The committee heard evidence from the department on Monday 18 February and Tuesday 19 February 2008. The hearings were conducted in the following order:

- Management Services
- Corporate Policy
- Product Integrity, Animal and Plant Health
 - Australian Pesticides and Veterinary Medicines Authority
- Grains Research and Development Corporation
- Australian Quarantine and Inspection Service
- Biosecurity Australia
- Meat and Livestock Australia
- International
- Food and Agriculture
 - Export Wheat Commission
- Australian Bureau of Agriculture and Resource Economics
- Bureau of Rural Sciences
- Rural Policy and Innovation
- Natural Resource Management
 - Land and Water Australia
- Fisheries and Forestry
 - Australian Fisheries Management Authority

Management Services

2.2 The department began proceedings with an explanation of corrections to the Portfolio Additional Estimates Statements (PAES) which had been tabled out of session on Friday, 15 February 2008. Departmental staff informed the committee that the corrections are all internal and they do not affect the department's 'bottom line.'¹

1 *Estimates Hansard*, 18 February 2008, pp 4-5.

2.3 The committee sought clarification of decreases in estimates listed in table 1.2 of the PAES, asking the department to explain which items related to savings due to underspending, and which items had decreased due to the incoming government's election commitments. Consequently, the department tabled the *Federal Parliamentary Labor Party's Costings of its Election Policy Promises* for the committee's information.²

2.4 The department further informed the committee that the majority of the additional funds were appropriated through supplementary additional estimates bills for additional drought assistance measures and the national response to equine influenza.³

2.5 The department's application of the efficiency dividend was also discussed at length. The department explained that the application of an efficiency dividend is part of the department's usual annual internal budgetary process, and is applied to the department as a whole, not to individual programmes. Officers further explained that the department looks to achieve its outcomes more efficiently through this process, not reduce its services, therefore the application of the efficiency dividend should not result in the loss of any outputs. The committee was informed that the application of the required 3.25 per cent efficiency dividend would result in a saving of \$1.676 million in the 2007-08 financial year.⁴

2.6 The committee raised the issue of answers to questions on notice from the May 2007 budget estimates, as 61 answers remained outstanding. The department noted that a significant number of answers had required redrafting after they had been sent to the previous minister's office in August 2007. A number of revised answers were provided back to the previous minister in early September 2007, however, they were not approved before caretaker period commenced, resulting in a significant delay. Officers advised the committee that the majority of outstanding answers had been appropriately reviewed and approved by the current minister, and they were provided to the committee later that morning.⁵

2.7 The committee also questioned officers on the following matters:

- the number of staff on Australian Workplace Agreements (AWA's), and the expected transition once current AWA's expire (*Estimates Hansard*, 18 February 2008, pp 15-16);
- current and projected consultancies (p. 17); and
- previous experience of current departmental liaison officers (DLO's) and the return of previous DLO's to the department (pp 17-19).

2 *Estimates Hansard*, 18 February 2008, pp 7-8.

3 *Estimates Hansard*, 18 February 2008, pp 4-5.

4 *Estimates Hansard*, 18 February 2008, pp 9-15.

5 *Estimates Hansard*, 18 February 2008, pp 20-21.

Product Integrity, Animal and Plant Health

2.8 The committee raised concerns about pesticide and fungicide residue found on conventionally grown strawberries. The department explained that while residue levels were in excess of the maximum residue limit (MRL), the levels found did not necessarily present a food safety issue. The committee was informed that Strawberries Australia was considering whether further national testing in addition to the existing industry based testing may be required. The department noted that the director of the National Residue Survey, a voluntary Commonwealth residue testing programme, had also offered assistance to the industry. The committee expressed concern that the department did not appear to be adequately enforcing compliance. Officers explained that regulatory responsibility for food standards and codes resides with the states and territories, but assured the committee that the strawberry industry is taking the issue very seriously.⁶

2.9 The committee also sought information on:

- research being undertaken on the impact of climate change on the persistence and extent of certain pests and diseases (*Estimates Hansard*, 18 February 2008, pp 25-26);
- Australian bee exports and the current situation in the United States of America regarding bee die-off (pp 34-35);
- the implementation and funding of the National Livestock Identification Scheme (NLIS) (pp 35-37);
- the department's role in the Tasmanian devil programme regarding devil facial tumour disease (p. 37);
- research undertaken into the mulesing of sheep and possible alternatives, and the impact that the continuation of the practice may have on Australia's wool trade (pp 19 and 37-40);
- the department's position on an international campaign against mulesing and live exports (pp 40-42 and 88-90); and
- work on the proposition for mandatory removal of specified risk materials (SRMs) from slaughtered cattle as a precaution against the occurrence of bovine spongiform encephalopathy (BSE) (pp 42-43).

Australian Pesticides and Veterinary Medicines Authority

2.10 The committee inquired whether any of the chemicals identified in residue testing on strawberries were currently under review by the Australian Pesticides and Veterinary Medicines Authority (APVMA). The chief executive officer (CEO) of APVMA confirmed that three of the chemicals detected are currently under review, but there is currently no indication from the assessments underway that the use of any

6 *Estimates Hansard*, 18 February 2008, pp 23-24.

of those chemicals will need to be suspended. A review of another chemical which was identified in the residue testing was completed in 2007 and the use of that chemical on certain fruits and vegetables has since been suspended.⁷

2.11 The committee also sought information on the current review of the use of the herbicide atrazine. The department informed the committee that the 2004 draft report is currently being finalised. The label recommendations arising from this report, which are in addition to the 1997 recommendations, will now be implemented.⁸

2.12 The committee expressed some concern about the potential for misuse of chemicals, particularly atrazine. The CEO informed the committee that all regulatory decisions are made based on the proper use of chemicals, therefore APVMA registers chemicals on the expectation that users will follow the label instructions. The department further explained that misuse of the chemical is a compliance issue, and is the responsibility of the states and territories.⁹

2.13 The committee also heard evidence on:

- APVMA's chemical review process (*Estimates Hansard*, 18 February 2008, pp 26-34); and
- the process of applying for registration of a chemical (pp 27-28).

Grains Research and Development Corporation

2.14 The committee discussed issues surrounding genetically modified (GM) canola at length, particularly:

- the onus of legal liability in the event of contamination of non-GM crops (*Estimates Hansard*, 18 February 2008, pp 44-45 and 48);
- research into the possibility of segregating GM and non-GM canola and associated costs (pp 45-48);
- the positions of the federal and state governments on GM canola (pp 46 and 48-49);
- funding of GM related research (pp 52-52); and
- international trials of drought tolerant crops (p. 53).

2.15 The following matters were also raised with officers of the Grains Research and Development Corporation (GRDC):

- the basis for calculating the GRDC wheat levy (*Estimates Hansard*, 18 February 2008, pp 50-51);

7 *Estimates Hansard*, 18 February 2008, pp 26-27.

8 *Estimates Hansard*, 18 February 2008, pp 28-34.

9 *Estimates Hansard*, 18 February 2008, pp 28-34.

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- the GRDC's strategy to manage the risk posed by climate change and related research (pp 51-52); and
 - private grains research and associated funding (p. 54).

Australian Quarantine and Inspection Service

2.16 The committee raised concerns about the adequacy of the current incoming passenger declaration cards issued to passengers entering Australia, as the information requested on the cards does not seem to reflect current biosecurity risks, particularly the present threat posed by the fresh water algae, didymo. The committee was particularly concerned that implementation of measures to inform the public about the risk of didymo did not appear to have progressed in a timely manner.¹⁰

2.17 The department detailed the action it had taken in this regard since its last discussion with the committee, and undertook to ensure that these measures had been appropriately implemented. Officers further informed the committee that revision of the incoming passenger card will take some time as a number of government agencies would be involved in the process, but indicated that work on reviewing the card had begun.¹¹

2.18 The committee also pursued the following matters:

- the effectiveness of Australia's border control and how it is measured (*Estimates Hansard*, 18 February 2008, pp 55-56);
- the Ernst & Young report on the cost-effectiveness of the Australian Quarantine and Inspection Service (AQIS), particularly in relation to comments made regarding AQIS's effectiveness in the screening of sea containers and international mail (pp 58-61 and 82);
- quarantine facilities at the Torres Strait Island airport (p. 62);
- the Import Risk Analysis (IRA) for New Zealand apples, the development of the standard operating procedures, and the status of the case before the World Trade Organisation (WTO) (pp 63-67 and 81-82);
- responsibility for the enforcement of protocols implemented to manage equine influenza (pp 68-69);
- trends in the number of fatalities resulting from the live export trade and both current and proposed measures to reduce the mortality rate (pp 83-87);
- the outcome of the Emanuel Exports Pty Ltd court case (pp 86-87); and
- the progress of the Citrus Canker Eradication programme (pp 90-91).

10 *Estimates Hansard*, 18 February 2008, pp 56-58.

11 *Estimates Hansard*, 18 February 2008, pp 56-58.

Biosecurity Australia

2.19 The committee heard evidence on a number of issues from officers of Biosecurity Australia, including:

- the review of conditions for the import of taro (pp 69-70);
- the IRA for prawns, and progress with the testing of uncooked prawns against the recently tightened import conditions (pp 70-76);
- the current status of the abalone disease, viral ganglioneuritis, and measures put in place to manage the spread of the disease (pp 76-77);
- formal recognition of the regional difference of Western Australia (pp 82-83); and
- progress on the IRA for bananas (p. 83).

Meat and Livestock Australia

2.20 The committee discussed the following matters with officers of Meat and Livestock Australia:

- concerns about the practice of substituting sheep and hogget for lamb (*Estimates Hansard*, 18 February 2008, pp 5-6 and 77-81); and
- the need for national harmonisation of meat standards (pp 5-6 and 77-81).

International

2.21 The committee held a brief discussion with officers from the International division regarding:

- the negotiation of Memoranda of Understanding (MOUs) with Middle Eastern countries regarding the live export trade (*Estimates Hansard*, 18 February 2008, pp 86-87);
- the growth of the carcass trade with the Middle East (pp 87-88);
- funding for the free trade agreements (FTAs) with both China and Japan (pp 91-92);
- progress of negotiations to reopen stone fruit trade with Taiwan (pp 92-93); and
- the status of negotiations on the FTA with Chile (p. 93).

Export Wheat Commission

2.22 As this was the Export Wheat Commission's (EWC's) first appearance at estimates, the chairman of the EWC began by explaining to the committee that the EWC had commenced on 1 October 2007, replacing the Wheat Export Authority. The chairman went on to outline the EWC's three functions:

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- to monitor the export performance of Australian Wheat Board International (AWBI) and report back to both the minister and growers;
 - to control bulk wheat exports; and
 - to administer the non-bulk wheat quality assurance scheme.¹²

2.23 The committee was also informed that the bulk export veto currently resides with the Minister for Agriculture, Fisheries and Forestry. The EWC makes recommendations to the minister on bulk export wheat applications and the minister then directs them to accept or reject applications.¹³

2.24 The department further noted the likelihood that the current wheat marketing arrangements, with AWBI as the sole exporter of wheat, will be replaced with a wheat export body which will issue export licences to various accredited exporters.¹⁴

2.25 The committee sought further information on the following matters:

- the criteria that will be instituted for granting an export licence (*Estimates Hansard*, 18 February 2008, pp 96-98);
- the number of export applications assessed and granted by EWC (pp 98-99);
- various issues arising from *The Growers Report 2007* (pp 101-103);
- the capacity of grain transport infrastructure (pp 103-109);
- EWC's criteria for assessing export applications (pp 110-111); and
- the role and operation of the Wheat Industry Export Group (pp 111-112).

Australian Bureau of Agriculture and Resource Economics

2.26 The committee pursued the following issues with officers from the Australian Bureau of Agriculture and Resource Economics:

- current and previous projections of the future oil price and the reliability of such projections (*Estimates Hansard*, 18 February 2008, pp 113-114);
- carbon price and the impact of climate change as factors in modelling (pp 114-118);
- the coordination of research into climate change across departments and agencies (pp 118-119); and
- the price of fertiliser (pp 119-120).

12 *Estimates Hansard*, 18 February 2008, p. 94.

13 *Estimates Hansard*, 18 February 2008, p. 94.

14 *Estimates Hansard*, 18 February 2008, pp 94-96.

Bureau of Rural Sciences

2.27 The committee held a brief discussion with officers of the Bureau of Rural Sciences (BRS) regarding the research they undertake, and methods for creating public awareness of the information the BRS makes available.¹⁵

Rural Policy and Innovation

2.28 The committee discussed various issues with officers from the Rural Policy and Innovation division, including:

- statistics on the number of people who have partaken in the FarmBis and FarmHelp programmes (*Estimates Hansard*, 18 February 2008, pp 124-127);
- the decision to close the FarmBis programme (p. 126);
- funding of, and demand for, re-establishment grants for farmers, and the operation of the grants programme (*Estimates Hansard*, 19 February 2008, pp 97-103);
- the reallocation of funding for the new industries development programme to new programmes (p. 103);
- climate change and drought assistance (pp 103-104); and
- funding for Heywire, a youth education programme (p. 106).

Natural Resource Management

2.29 The committee pursued the following matters with officers of the Natural Resource Management division:

- funding for weeds programmes and related research (*Estimates Hansard*, 19 February 2008, pp 106-109); and
- the coordination of research into climate change across departments and agencies (pp 111-112).

Land and Water Australia

2.30 The committee sought information on the research projects undertaken by Land and Water Australia, particularly projects relating to climate change.¹⁶

Australian Fisheries Management Authority

2.31 The committee questioned officers of the Australian Fisheries Management Authority on the following matters:

15 *Estimates Hansard*, 18 February 2008, pp 120-123.

16 *Estimates Hansard*, 19 February 2008, pp 110-111.

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- tenders received for the sale of the seized illegal fishing vessel, the *Taruman* (pp 112-113);
 - illegal foreign fishing activity and related apprehensions in Australia's northern waters (pp 113-114);
 - apprehension of illegal fishing vessels in the traditional MOU box area (pp 114-115);
 - patrols of the *Oceanic Viking* (pp 116-118); and
 - operation of the Western and Central Pacific Fisheries Commission and the Indian Ocean Tuna Commission (pp 123-125).

Fisheries and Forestry

2.32 The committee sought information on the following issues from officers of the Fisheries and Forestry division:

- progress on the regional plan of action for responsible fisheries management (p. 115);
- the negotiation of protocols to manage the illegal fishing of tuna by the Japanese (pp 115-116);
- funding for the Recreational Fishing Community Grants programme (pp 118 and 123);
- status of, and funding for, the Securing Our Fishing Future programme (pp 118-120);
- funding for the Fisheries Structural Adjustment package, and the assessment of applications (pp 120-122);
- funding for the promotion of seafood (pp 122-123);
- Tasmanian Community Forest Agreement grants programmes, and the basis for assessing and approving grants (pp 125-128);
- logging operations in the Upper Florentine and Styx River Valleys (pp 129-132);
- research into greenhouse gas emissions as a result of logging operations (pp 133-134);
- the purpose of the Asia Pacific Forestry Skills and Capacity Building Programme and funding for the programme (pp 134-135); and
- the status of the Tasmanian Community Forest Agreement under the current government (pp 135-136).

