

ADDITIONAL INFORMATION RELATING TO THE
EXAMINATION OF BUDGET ESTIMATES FOR 2005-2006

**Rural and Regional Affairs and Transport
Legislation Committee**

Agriculture, Fisheries and Forestry Portfolio

VOLUME 1

September 2005

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Volumes of additional information relating to 2005-2006 Budget Estimates

Additional Information Volume 1: contains answers to questions on notice relating to **Budget Estimates 2005-2006.**

Agriculture, Fisheries and Forestry:

Australian Bureau of Agricultural and Resource Economics (ABARE), additional answers to questions on notice, Australian Quarantine Inspection Service, Biosecurity Australia, Bureau of Rural Sciences, Fisheries and Forestry, Food and Agriculture, Management Services, Market Access, Product Integrity, Animal (including aquatic animal) and Plant Health, Natural Resource Management, and Rural Policy and Innovation.

Additional Information Volume 2, September 2005: contains answers to questions on notice relating to **Budget Estimates 2005-2006.**

Transport and Regional Services: Corporate Group; Inspector of Transport Security, Bureau of Transport and Regional Services, Australian Transport Safety Bureau, Office of Transport Security, Aviation and Airports, Territories and Local Government, National Capital Authority, Civil Aviation Safety Authority, AusLink, Regional Services and answers to additional written questions on notice.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Bureau of Agricultural and Resource Economics [ABARE]

Question: ABARE 01

Topic: Woodchip sales statistics

Hansard Page: 69

Senator Brown asked:

Can you comment on the trend for export woodchip sales out of Australia, taking into account the global market and the projections into the next two years?

Answer:

ABARE publishes forecasts for Australia's woodchip exports in the Australian Commodities publication.

The most recently published data, published in June 2005, forecasts a slight decline in Australia's woodchip exports to 10.4 million green tonnes in 2005-06, following an expected increase to 11.0 million green tonnes in the year to 2004-05.

A recent report by ABARE (Nelson and Shield 2003), showed that woodchip supply from Australia, South Africa and Chile has the potential to increase dramatically due to recent plantation establishment.

Reference:

Nelson, R. and Shield, E, 2003, 'Australian Woodchip Exports: future commercial benefits of plantation hardwood chip production', Australian Commodities, vol. 10, no. 1, March quarter, pp. 74-80.

Question: Additional 01

Topic: Employee Accreditation

Hansard Page: N/A

Senator Ludwig asked:

The questions for all departments and agencies under your portfolio. It's a follow-up to a question we asked in December.

Regarding the employees that your department or agency has identified as having...

- a) fluency
- b) accredited translator
- c) accredited interpreter

Of these employees, please indicate what the department is doing in order to make full use of its employees skills in this regard, and please provide a breakdown of this between employees whose accreditation was paid for by the department and those whose were not?

Answer:

An official register of fluency in languages other than English is not currently in place.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 02

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

What amount did the Department/agency spend during the financial year 2004/2005 on outsourced legal practitioners (including private firms, individuals, the Australian Government Solicitor, and any others)?

Answer:

\$3,711,117.93

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 03

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

What was the budgeted amount for outsourced legal practitioners in 2004/2005?

Answer:

\$3,748,595.00

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 04

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

What amount did the Department/agency spend on internal legal services? (Provide an estimate if exact amount is unavailable.)

Answer:

Nil

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 05

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

Does the Department/agency have an in-house legal section? If so, what was the 2004/2005 actual cost of this section? What was the budgeted amount for this section in 2004/2005? What is the budget amount for this section in 2005/2006?

Answer:

No.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 06

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

What is the total projected expenditure on legal services for 2005/2006 for the Department/agency?

Answer:

\$2,500,000.00

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 07

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

Which organisations or individuals were contracted to provide legal services to the Department/agency in 2004/2005?

Answer:

Minter Ellison, Australian Government Solicitor, Blake Dawson Waldron, Corrs Chambers Westgarth, Adept Associates, Malleson Stephen Jaques, Attorney General's Department, Holmes and Reynolds.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 08

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

In each instance, how much was each organisation or individual paid for these services?

Answer:

Provider name	Cost
Minter Ellison	\$2,431,130.91
Australian Government Solicitor	\$922,928.42
Blake Dawson Waldron	\$46,549.84
Corrs Chambers Westgarth	\$135,050.94
Adept Associates	\$11,798.48
Malleson Stephen Jaques	\$15,757.19
Attorney General's Department	\$126,052.15
Holmes and Reynolds	\$21,850.00

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 09

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

Does the Department/agency use an open tendering or select tendering process (as described in the Commonwealth Procurement Guidelines, p 42) when procuring legal services?

Answer:

Open tender.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 10

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

If a select tendering process is used: (a) which method of select tendering is used and (b) which firms or individuals are currently eligible to tender for legal services?

Answer:

Not applicable.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 11

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

If a multi-use list is used: (a) which firms or individuals are currently on that list and (b) when was the list last opened for applications?

Answer:

Not applicable.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 12

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

In 2004/2005 did the Department/agency obtain any legal services using a direct sourcing procurement process? If so, provide details including the name of the provider, the work involved and the cost?

Answer:

No.

Not applicable.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 13

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

In 2004/2005 did the Department/agency procure any legal services under the thresholds required for 'covered procurements' (within the meaning of 8.6 of the Commonwealth Procurement Guidelines)? If so, provide details including the name of the provider, the work involved and the cost.

Answer:

Yes.

Provider name	Work involved	Cost
Corrs Chambers Westgarth	Probity advice on legal RFT	\$71,544.04
Corrs Chambers Westgarth	Legal advice on legal RFT	\$63,506.90
Adept Associates	Internal review of grievance	\$11,798.48
Malleson Stephen Jaques	Legal advice	\$15,757.19
Holmes and Reynolds	Present 6 one-day Governance and Risk Management workshops	\$21,850.00

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: ADD 14

Topic: Legal service expenditure

Hansard Page: N/A

Senator Ludwig asked:

In 2004/05 did the Department/agency contract any legal firms to provide services other than legal services (such as consulting, conduct of policy reviews etc)? If so, provide details including the name of the firm, the project involved and the cost of the contract.

Answer:

Yes.

Provider name	Work involved	Cost
Adept Associates	Internal review of grievance	\$11,798.48
Corrs Chambers Westgarth	Probity advice on legal RFT	\$71,544.04
Holmes and Reynolds	Present 6 one-day Governance and Risk Management workshops	\$21,850.00

Question: ADD 15

Topic: Advertising contracts

Hansard Page: N/A

Senator Murray asked:

Please provide a list of all advertising projects currently being undertaken or expected to be undertaken by the department or agency in the course of 2005 where the cost of the project is estimated or contracted to be \$100 000 or more, indicating:

- (a) the purpose and nature of the project;
- (b) the intended recipients of the information to be communicated by the project;
- (c) who authorised or is to authorise the project;
- (d) the manner in which the project is to be carried out;
- (e) who is to carry out the project;
- (f) whether the project is to be carried out under a contract;
- (g) whether such contract was let by tender;
- (h) the estimated or contracted cost of the project;
- (i) whether the effectiveness or impact of project has been or will be evaluated.

Answer:

Quarantine Matters! campaign

- (a) To increase and maintain awareness levels of the importance of quarantine within the Australian community
- (b) The broad Australian community, Australian's who are international travellers, overseas visitors and receivers of international mail and cargo. People from non-English speaking backgrounds are included in these target audiences
- (c) The Minister for Agriculture, Fisheries and Forestry and the Ministerial Committee on Government Communication
- (d) Television, cinema, radio, magazines, newspapers, internet, airport light box signage
- (e) Killey Withy Punshon Advertising Pty Ltd was the creative agency and Universal McCann is the Government's media-buying agency
- (f) Yes
- (g) Yes
- (h) \$3,061,000 for media placement costs and \$379,000 for creative agency and production costs, exclusive of GST
- (i) Yes

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Tasmanian Community Forest Agreement

- (a) To announce the joint Tasmanian and Government's Tasmanian Community Forest Agreement
- (b) The Australian public
- (c) A departmental officer with Regulation 9 delegated powers under the Financial Management and Accounting Act 1997
- (d) Press and television
- (e) Clemenger Tasmania and HMA Blaze
- (f) The Tasmanian Government directly engaged Clemenger Tasmania and the Australian Government reimbursed the Tasmanian Government a share of costs. The Australian Government also paid \$6,910.37 directly to Clemenger for work done on the project. HMA Blaze is contracted to place all Australian Government non-campaign advertising
- (g) As the Tasmanian Government engaged Clemenger Tasmania, the question does not apply to the Australian Government. HMA Blaze is contracted to place all Australian Government non-campaign advertising
- (h) The Australian Government's share equals \$242,789 for advertising agency and production work and \$336,643 for media, exclusive of GST
- (i) No.

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 01

Topic: Citrus Canker Eradication

Hansard Page: 33

Senator O'Brien asked:

What sort of material [was voluntarily destroyed]?

Answer:

All citrus trees in block 182 were destroyed by burning in a two foot deep pit and the ash completely covered with soil.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 02

Topic: Citrus Canker Eradication

Hansard Page: 34

Senator Heffernan asked:

When was the last inspection of that 18 months monitoring period? Could you tell us who actually carried out the inspections and could you give us the dates of those inspections?

Answers:

The last inspection was conducted on 10 December 2002.

The following table outlines the inspection dates and the person who conducted each inspection.

Date Inspected	Inspected by
26 July 2001	Mr Steven Watson (AQIS Senior Compliance Officer) Mr Tony Young (AQIS Senior Compliance Officer) Dr Vanessa Brake (AQIS Quarantine Plant Pathologist) Mr Bill Crowe (AQIS Quarantine Entomologist) Mr Bill Harper (AQIS Quarantine Officer) Mr Shane Richardson (AQIS Quarantine Officer) Mr Dan Smith (Qld Department of Primary Industries Officer)
27 July 2001	Mr Steven Watson (AQIS Senior Compliance Officer) Mr Tony Young (AQIS Senior Compliance Officer) Dr Vanessa Brake (AQIS Quarantine Plant Pathologist) Mr Bill Crowe (AQIS Quarantine Entomologist)
<i>Under the Deed of Arrangement</i>	
24 October 2001	Dr Vanessa Brake (AQIS Quarantine Plant Pathologist) Mr Steven Day (AQIS Senior Inspection officer)
5 December 2001	Dr Vanessa Brake (AQIS Quarantine Plant Pathologist)
1 May 2002	Dr Vanessa Brake (AQIS Quarantine Plant Pathologist) Dr Jo Luck (Molecular Plant Pathologist, Department of Natural Resources and Energy, Victoria)
10 December 2002	Dr Vanessa Brake (AQIS Quarantine Plant Pathologist) Mr Stephen Gillow (AQIS Quarantine Officer)

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 03

Topic: Citrus Canker Eradication

Hansard Page: 34

Senator Heffernan asked:

How long does it take to inspect an orchard?

Answer:

The inspections and collection of samples took approximately one day on each occasion.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 04

Topic: Citrus Canker Eradication

Hansard Page: 34

Senator Heffernan asked:

Could you give us the details set out on a map of what blocks they did inspect in each inspection? Were any of those blocks then subsequently found to be infected with canker? We will ask you to provide us with the fact or the fiction of where they went for a start and then blow me down if later on from where they went perhaps canker turned up. What I am trying to look for is whether the outbreaks of canker were outside the inspected area or inside the inspected area. What did they do with the samples they took away?

Answer:

Attached are copies of two maps. One was provided by Evergreen Farms and annotated by Dr Vanessa Brake (AQIS Quarantine Plant Pathologist) showing the citrus blocks that were inspected by AQIS officers and from which samples were taken. The second map was provided by the Queensland Department of Primary Industries and Fisheries and indicates the blocks where citrus canker was detected in 2004.

The following table lists the inspection dates and the blocks that were inspected on each occasion.

Date Inspected	Citrus Blocks Inspected and Sampled
26 & 27 Jul 2001	Block 182
24 Oct 2001	Block 182
5 Dec 2001	Blocks 110, 122, 129, 130, 142, 144, 150, 151, 152, 171, 172, 173
10 Dec 2002	Blocks 171, 172, 173

Of these blocks, citrus block 171 was subsequently found in 2004 to be infected with citrus canker.

The samples of citrus taken were sent to the AQIS Eastern Creek Plant Quarantine Station for testing and analysis.

The citrus samples (plants) were potted up in an attempt to develop healthy vegetative material. Extracts were taken from leaf material and subjected to various diagnostic and varietal tests at the AQIS Eastern Creek Plant Quarantine Station, NSW Department of Agriculture - Elizabeth Macarthur Agricultural Institute Camden, and CSIRO Merbein.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Samples were taken from the grapevine material and these were sent to Knoxfield (Victorian Department of Natural Resources and Energy) for diagnostic testing. The grapevines were potted up in an attempt to develop further vegetative material for varietal and further disease screening.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 05

Topic: Citrus Canker Eradication

Hansard Page: 35

Senator Heffernan asked:

Samples were taken away for testing during the original AQIS raid in 2001. They were tested for diseases and also to determine what variety those samples were. What did that variety test show?

Answer:

The following table lists the varietal tests that were conducted and the results of those tests.

Date test completed	Performed by	Test type	Result
2/8/01	Mrs Patricia Barkley (National Citrus Improvement Manager – Aus Citrus) Dr Cathy Knox (AQIS Quarantine Plant Pathologist) Mr Kevin Davis (AQIS Quarantine Plant Pathologist)	Visual comparison (leaf)	Inconclusive
10/8/01	Dr Stephen Sykes (Sub-Program Leader - CSIRO Merbein)	Visual comparison (leaf)	Inconclusive
12/8/01	Dr Stephen Sykes (Sub-Program Leader - CSIRO Merbein)	Enzyme separation	Inconclusive
13/2/02	Dr Stephen Sykes (Sub-Program Leader - CSIRO Merbein)	Visual comparison	Variety not Imperial. Could not distinguish between Ponkan and Emperor

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

13/2/02	Dr Stephen Sykes (Sub-Program Leader - CSIRO Merbein)	Leaf isozymes	Variety not Imperial. Could not distinguish between Ponkan and Emperor
26/6/03	Mrs Patricia Barkley (National Citrus Improvement Manager – Aus citrus) Mr Kevin Davis (AQIS Quarantine Plant Pathologist)	Visual comparison (fruit)	Variety not Imperial. Could not distinguish between Ponkan and Emperor

Question: AQIS 06

Topic: Citrus Canker Eradication

Hansard Page: 35

Senator Heffernan asked:

Does the fruit on these trees look like the Chinese variety, Conkin mandarin?

Answer:

Scientific officers from Aus Citrus and CSIRO have advised that they cannot determine whether the fruit is 'Ponkan' or 'Emperor'.

Question: AQIS 07

Topic: Citrus Canker Eradication

Hansard Page: 38

Senator O'Brien asked:

What was the nature of the investigations into the source of this material?

Answer:

AQIS undertook variety testing of the citrus, which would assist with tracing the origin of the material. This testing was not conclusive due to the poor quality of the plant material available for the tests.

AQIS Senior Compliance officers made enquiries to corroborate claims e.g. checks of AQIS databases for permits to import plant material; travel checks on relevant parties; enquiries of State Departments of Agriculture relating to citrus varieties; scientific 'assessment of risk'; coordination with Queensland Department of Primary Industry (QDPI) regarding execution of search warrant.

Question: AQIS 08

Topic: Citrus Canker Eradication

Hansard Page: 39

Senator O'Brien asked:

The term you used was 'definitive evidence.' What does that mean?

Answer:

Definitive evidence would be a varietal test clearly indicating the variety.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Australian Quarantine and Inspection Service

Question: AQIS 09

Topic: Citrus Canker Eradication

Hansard Page: 39-40

Senator Heffernan asked:

Who would have done those tests? So it would be possible to get the details.

Answer:

The complete range of tests conducted on all samples collected from the PCP property are listed in the attached tables.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 10

Topic: Citrus Canker Eradication

Hansard Page: 41

Senator O'Brien asked:

Do you know of any other deeds of arrangement—ones that you have not experienced? Perhaps you could take this question on notice: have any other such deeds of arrangement being entered into by AQIS in the past and how many?

Answer:

AQIS has not identified any other "Deed of Arrangement".

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 11

Topic: Citrus Canker Eradication

Hansard Page: 41

Senator O'Brien asked:

Is there a judgment that the committee can see which would give us insight into the reasons of the court?

Answer:

A copy of the Reasons for Judgment of the Federal Court of 17 August 2001 (Justice Keifel) is attached.

A copy of the Reasons for Judgment of the Full Federal Court of 12 October 2001 (Justices Whitlam, Dowsett, and Stone) is attached.

Question: AQIS 12

Topic: Citrus Canker Eradication

Hansard Page: 44

Senator O'Brien asked:

I note it was agreed that in certain circumstances AQIS would meet the costs associated with the destruction and disposal of citrus plants on the property. Did AQIS eventually have to meet any of this cost?

Answer:

No.

Question: AQIS 13

Topic: Citrus Canker Eradication

Hansard Page: 46

Senator O'Brien asked:

So you do not hold samples of the area in which the disease was discovered in 2004, from back in 2001? It is not the same block, clearly? The samples that you took back to Badgery's Creek, were from a block that was destroyed? Why did you pick those samples from that block?

What was the allegation, that they planted a row of trees that came from Woop Woop? And you allegedly took samples from trees or cuttings? Was it alleged that the whole block with illegally imported material had some trees with grafts or whatever on them?

Answer:

Samples currently held by AQIS at the Eastern Creek Plant Quarantine Station were collected from citrus block 182 because this was the location where the informant claimed that the alleged illegally imported citrus had been planted. All citrus trees on this block were subsequently destroyed on 24 October 2001.

It was alleged that citrus block 182 contained trees which had been grafted with illegally imported material. AQIS collected samples from trees on citrus block 182.

Question: AQIS 14

Topic: Citrus Canker Eradication

Hansard Page: 47

Senator Heffernan asked:

Would it be possible to get a copy of the record of interview for this committee?

Answer:

AQIS Investigators took a statement from the informant (Mr Gillies). Mr Watson (an AQIS investigator at that time) also provided a statement on his interview with Mr Gillies in the form of a Federal Court affidavit. Both documents are attached.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 15

Topic: Citrus Canker Eradication

Hansard Page: 47

Senator O'Brien asked:

Just to make it clear, was the block that was destroyed the block identified to AQIS as containing material which had been illegally imported? How did AQIS identify that block? Clearly, you were given some information orally. Were you given a map?

Answer:

All citrus trees in block 182 were destroyed. It was alleged by the informant that block 182 contained trees which had been grafted with illegally imported material.

Two documents (a hand drawn map and a row/tree reference) were provided by the informant identifying the location of blocks, trees and facilities on the Evergreen Farms property. Copies of those documents are attached.

Question: AQIS 16

Topic: Citrus Canker Eradication

Hansard Page: 48

Senator Heffernan asked:

Let's go right back to when they were put in the ground. They were somehow smuggled into Australia in what form and what shape? How much room would it have taken to smuggle them in? How big were they? A foot, two feet, two inches, half an inch?

Given the crisis, no-one here honestly knows? Were they things they could just run along and plant? Did they have to graft them? What did they do? How did it happen?

When you were looking at the trees they were grafted onto, was it a partial graft on a tree to get more tissue or were they grafted on rootstock which produced just the foreign material or was it grafted onto a tree using just two trunks of the tree as other material?

Was it one or 50 or a container full?

Answer:

Allegations as to the modus operandi used in the alleged smuggling are detailed in the statements of the informant Mr Gillies and the statement of Mr Watson, the AQIS Senior Compliance Officer who conducted the initial AQIS investigations. The statements refer to comments provided by a person who had been employed at Evergreen Farms as a "budder" noting that the scions were "about 4 to 6 inches long".

It was alleged that the material was in the form of scions. Scions would normally be used as grafting material.

Question: 17

Topic: Citrus Canker Eradication

Hansard Page: 49

Senator O'Brien asked:

Can you get us, on notice, the exact details of the timing of the briefings of the minister and the director of quarantine? If there is a documentary brief can the committee have a copy of it?

Answer:

The Minister was briefed about the signing of the Deed of Arrangement by AQIS Minute dated 26 February 2002.

The Director of Quarantine was briefed about the signing of the Deed of Arrangement by AQIS Minute dated 24 October 2001.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: 18

Topic: Citrus Canker Eradication

Hansard Page: 49

Senator Heffernan asked:

Were there allegations of illegal importation of grape cuttings? Do we know whether it was half a boxful or a boxful? Can you get all that detail for us?

Answer:

Mr Gillies, the informant, signed statement of 17 July 2001, says:

“Between September 2000 and November 2000 Mr Cea told me that he had imported a large amount of his budwood and seeds, without Quarantine approval. He informed me that he has imported the budwood in the form of:

1. Grape cuttings – 2 red varieties and 1 white variety – the white being “Melissa”, and the reds “Autumn Royal” and “Camellia”. Some 600 cuttings have been grafted onto vines, of which approximately forty (40) are still growing.”

Mr Gillies also stated:

“In talking to me of the importations, he stated that all of the cuttings have been smuggled in, whilst hidden in bags of tea and that both seeds and cuttings arrived between September and November, 2000.”

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 19

Topic: Brazilian Beef – Permit Applications from Brazil

Hansard Page: 95

Senator O'Brien asked:

The two permits for imports have been suspended. Is that right?

Mr Cahill—The permits that were issued under the policy for imports from Brazil have been revoked.

Senator O'BRIEN—And there were two permits?

Dr Clegg—There were something like 11 permits.

CHAIR—How many applications were not processed?

Dr Clegg—I do not think there were any, but I can check that for you. We did not have hundreds of applications.

Answer:

Eleven import permits in total were issued for uncanned beef products from Brazil before the policy was suspended. All import permits were revoked. One application for beef from Brazil had not been finalised at the time the import conditions were suspended.

Question: AQIS 20

Topic: Beef Imports: Product labels

[Country of origin labelling for imported beef products]

Hansard Page: 96

Senator Heffernan asked:

The three containers came in and went to the soup factory. What supervision is made, by whoever the appropriate authorities are, of what goes on the label, as in 'Made in Australia' or 'Bully beef: souped here but cooked in Brazil'? Do they identify what you are actually eating when you buy the can of bully beef?

Answer:

Food Standards Australia New Zealand (FSANZ) and the Australian Quarantine and Inspection Service (AQIS) have joint responsibility for regulating the safety of imported food as part of the broader food regulation framework. FSANZ is responsible for conducting risk assessments of foods, including imported foods, maintaining the Australia New Zealand Food Standards Code (Food Standards Code) and advising AQIS of the tests to be applied to imported food. AQIS is responsible for conducting the necessary inspections, verifications and tests at the border, in accordance with advice from FSANZ.

In addition to the role of AQIS and FSANZ in administering the Imported Food Programme (IFP), the State and Territory health authorities have responsibility for ensuring all foods, whether domestically produced or imported, meet the requirements of the Food Standards Code, at the point of sale.

All imported and locally produced food is required to comply with Australia's laws including the requirements for country of origin labelling in the Food Standards Code. This requires all packaged food (including canned beef products) to identify the country in which the food was made or produced. If the food contains ingredients from more than one country, this needs to be identified on the label as well – either by including the name of the countries, or by a statement such as “made from local and imported ingredients”.

Question: AQIS 21

Topic: Wheat Shipments [Inspection]

Hansard Page: 15

Senator O'Brien asked:

Yesterday we talked about the wheat shipments and we were told about a role that AQIS plays in assessing the shipment before it leaves. I wonder if you could explain that process for me. On reflection, I did not quite understand the routine that AQIS was involved in when assessing a shipment before it leaves. For example, is an assessment made before it is loaded, as it is loaded or after it is loaded and what actually happens? How broad is the sampling? How can you be sure you have a representative sample of a whole shipment when there are thousands of tonnes et cetera?

Answer:

The Australian Quarantine and Inspection Service (AQIS) has a three stage system for inspecting grain for export as prescribed in the *Grain, Plants and Plant Product Orders 1985*.

Firstly, AQIS inspects the vessel before loading commences to ensure the vessel is free from infestible residues, rodents and insects. If the vessel does not meet the standards required, the vessel's Master is issued a "Treatment Order" (Schedule 4 Clauses 26, 27 or 53) to clean the vessel. Reinspection is conducted once the Master advises that the treatment has been completed. If the vessel meets the standards AQIS issues a "Loading Permit" (Order 20).

Secondly, AQIS inspects the export flow path before export commences to confirm that it is free from insects, rodents and rodent droppings. If there is evidence of contamination and or infestation on or near the flow path, loading cannot commence until the export flow path is free from contamination and or infestation.

Thirdly, AQIS inspects a representative sample (2.25 litres per 33 tonnes) of the grain. Samples are drawn by diverter or pelican samplers automatically from the grain stream as it travels to the vessel.

Question: AQIS 22

Topic: Checking procedures [Grain Contamination Reports]

Hansard Page: 15

Senator O'Brien asked:

On how many occasions have your checking procedures been questioned in the sense that there has been a suggestion of a contaminant in a shipment after it has been checked by the Australian Quarantine and Inspection Service (AQIS) and you have not discovered it?

Answer:

There have been two incidents of a National Plant Protection Organisation reporting contamination in a shipment after it was inspected by AQIS (Karnal bunt allegations in Pakistan and carboxin contaminated barley in China).

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 23

Topic: US meatworks audits

Hansard Page: 17

Senator O'Brien asked:

Have our export works ever been subject to an enforcement audit?

Answer:

The export meat industry was subject to a detailed inspection audit by the United States (US) Food Safety and Inspection Service (FSIS) in 1999, although it was not called an enforcement audit. FSIS undertakes annual audits of Australia's export meat industry, although usually only one or two auditors participate. In 1999 however, a team of four FSIS auditors undertook a review of Australia's export meat industry that was analogous to the current enforcement audit.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Australian Quarantine and Inspection Service

Question: AQIS 24

Topic: Cocos Island Quarantine Station

Hansard Page: 20 - 21

Senator O'Brien asked:

What has been expended in the last 12 months, other than for the preparation for the leased area, for maintaining the property and controlling the weeds, grasses and the like?

There is no-one on the island who has any responsibility for maintaining that property?

Answer:

The amount spent on property maintenance since June 2004 is \$3,545.

There is not an Australian Quarantine and Inspection Service (AQIS) representative on the Island. AQIS has an informal arrangement with the local Australian Federal Police (AFP) who advise when the grass at the Cocos Island Quarantine Station needs to be slashed.

Other maintenance has not been undertaken as AQIS is intending to dispose of the property.

Question: BA 01

Topic: MOU with DAFF and Biosecurity Australia

Hansard Page: 84

Senator O'Brien asked:

Is there a memorandum of agreement between Biosecurity Australia and the department?

Mr Cahill—We have a draft memorandum of understanding which relates to services that the department will continue to provide to Biosecurity Australia, principally management services, payroll, some accounting services and other things. We have not finalised that yet, but that will be in an MOU between me and the secretary of the department.

Senator O'BRIEN—Can this committee have a copy when it is finalised?

Answer:

The Memorandum of Understanding between the Department of Agriculture, Fisheries and Forestry and Biosecurity Australia for the provision of management services is attached.

Question: BA 02

Topic: Beef imports: draft policy memorandum

Hansard Page: 91

Senator O'Brien asked:

The files will record the nature of the consultation—when, where and with whom?

Answer:

Attached is Animal Quarantine Policy Memorandum (AQPM) 1998/91, the mail list and responses from three stakeholders: the Chief Veterinary Officer, Western Australia, the Technical Advisor to the National Farmers' Federation and the Chief Veterinary Officer, South Australia.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Biosecurity Australia

Question: BA 03

Topic: NFF technical adviser

Hansard Page: 92

Senator Heffernan asked:

Who was the technical adviser?

Answer:

Dr Alick Lascelles.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Biosecurity Australia

Question: BA 04

Topic: Beef imports consultation

Hansard Page: 92

Senator O'Brien:

The file will show who was consulted. It will tell you and you will be able to tell us the nature of that consultation, and you will be able to supply us with the material that they received and the responses you received from those who replied?

Answer:

The material has been provided in response to question BA 02.

Question: BRS 01

Topic: Murray-Darling Basin

Hansard Page: 28

Senator O'Brien asked:

The PBS says that BRS does work on the Murray-Darling Basin and other catchments. I think the Murray-Darling Basin accounts for about 80 per cent of our agricultural production. Given the agency outcome for the National Water Commission is sustainable management it is not surprised you have such a role. Can you give us an Outline?

Answer:

The Bureau of Rural Sciences (BRS) contributes to the sustainable management of natural resources in the Murray-Darling Basin (MDB) through work on a number of cross-disciplinary projects.

The Australian Water Availability Project is generating high resolution maps and electronic information on past, present and future levels of all components of the dynamic water balance, from rainfall to soil moisture, in south-eastern Australia including the MDB. A BRS project entitled Water 2010 is expanding on this project and will provide a national water balance from regional to continental scale, with an interactive internet based information system being developed as the final product. Similarly, the Natural Resource Management Irrigation Atlas of the New South Wales Riverina assembled all available data on the region to provide a tool that can be used by policy and resource managers, and the general public.

A number of projects are documenting land use patterns at various temporal and spatial scales in the MDB. In collaboration with the Murray Darling Basin Commission (MDBC), BRS has produced a time series of regional scale land use maps covering the entire MDB. BRS is currently completing catchment scale mapping of the MDB that will provide a full basin-wide coverage of current land use.

As part of the National Action Plan for Salinity and Water Quality, BRS is delivering a program to promote community based stream salinity sampling and mapping. This complements other salinity mapping projects in the MDB using remotely sensed data. Furthermore, BRS is combining knowledge on forestry and salinity to develop a plantation capability statement for commercial environmental forestry focussing on catchments in the MDB.

BRS provides other forestry initiatives, including broad plantation forest capability and suitability assessments throughout the MDB. BRS has also undertaken a project, 'Plantations and Water: A review' for the Forest and Wood Products Research and Development Corporation contained information on plantations and water use in the MDB.

The Managing Connected Water Resources Project, which is providing advice to other Department of Agriculture, Fisheries and Forestry Divisions and State Government agencies, is documenting the connections between surface water and groundwater systems in the Border Rivers Catchment of New South Wales and Queensland. BRS has also conducted groundwater resource assessments in the Jerrabomberra Creek Catchment and for the Culcairn town water supply. More broadly across the MDB, BRS has produced a basin scale Groundwater Flow Systems Map to help prioritise future salinity mitigation projects.

In an advisory role BRS represents the Department of Agriculture Fisheries & Forestry on a number of Murray Darling Basin Commission committees, including; Fish Science and Management Committee, Water Trade Salinity Impact Evaluation Panel, Basin Irrigation and Salinity Management Committee, End of Valley Hydrographic Steering Committee, and the Ad-hoc Salt Interception Schemes Working Group.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 01

Topic: Fishing Rebuilding Strategy

Hansard Page: 44

Senator O'Brien asked:

On notice, can you tell me how long each of these strategies has been in place and how many of them have been judged to have resulted in positive trends in species numbers to date?

Answer:

Formal harvest strategies for the South East Fishery (including rebuilding strategies) will be implemented in 2005 subject to the Australian Fisheries Management Authority Board approval in August. It is the intention that these strategies will form the basis of the Total Allowable Catch (TAC) setting for all quota species (including those that are overfished or subject to overfishing) in the fishery in September 2005 (for the 2006 fishing year).

The strategies set the limit and target reference points for all species, including clearly defined decision rules. Most importantly these are set within defined parameters of risk. Equally the strategies separate the fish stocks into categories based on level of knowledge - the less we know the more precautionary the TAC will be.

The success of harvest strategies will be judged for each species in terms of the stock's performance against the established limit and reference points.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 02

Topic: Bycatch Plans

Hansard Page: 47

Senator O'Brien asked:

There are some bycatch plans I wanted to be updated on: the Bass Strait scallop, the Northern Prawn Fishery and the sub-Antarctic fisheries.

Answer:

The *Commonwealth Policy on Fisheries Bycatch 2000* requires the biennial review of Commonwealth bycatch action plans for major Australian Fisheries Management Authority managed fisheries.

Bass Strait Central Zone Scallop Fishery Bycatch Action Plan

The first bycatch action plan (BAP) for the Bass Strait Central Zone Scallop Fishery was released in 2001. The BAP was revised in 2004 in line with the requirements for biennial review. The BAP will next be reviewed in 2006.

Northern Prawn Fishery Bycatch Action Plan

The first BAP for the Fishery was prepared in 1998. This BAP underwent a review and the second BAP was released in 2003. The BAP is undergoing a review and the third BAP for the Fishery is anticipated for release by the end of 2005.

Antarctic Fisheries Bycatch Action Plan

The first BAP for the Antarctic Fishery (which includes the Heard and McDonald Islands and Macquarie Fisheries, as well as exploratory fisheries) was released in 2001. The BAP was revised in 2004 in line with the requirements for biennial review and the second BAP for the Fishery was released in March 2004. The BAP will be next reviewed in 2006.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

The Antarctic Fisheries BAP does not include whale exclusion devices. To date there have been no recorded interactions with whales during fishing operations. There are two independent observers placed on each fishing vessel operating in Antarctic waters. Some of the measures in the plan include:

- Implementation of marine protected areas with significant areas closed to fishing;
- Strict catch and bycatch limits;
- Seasonal closures;
- Use of weighted lines; and
- Discharge of dead fish or fish offal is not permitted to minimize feeding opportunities for seabirds or marine mammals around vessels.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 03

Topic: Australian Territorial Waters

Hansard Page: 50

Senator Brown asked:

I was just seeking where Australia's territorial waters lie. That is not a legal matter. That is a matter that Australia has asserted.

Answer:

The Department of the Environment and Heritage (DEH) has prepared information on the status of Australian territorial waters in response to a question by Senator Webber during the hearings of the Environment, Communications, Information Technology and the Arts Legislation Committee on 26 May 2005. The information was prepared by the Australian Antarctic Division of DEH in consultation with the Department of Foreign Affairs and Trade and the Attorney-General's Department.

This information is now provided in response to Senator Brown's question:

The areas involved are depicted on the accompanying map (13144 AADC).

Australia is a coastal state under the terms of the United Nations Convention on the Law of the Sea (UNCLOS). A coastal state is entitled to assert either jurisdiction and/or rights in certain maritime zones adjacent to its coastline. For the purposes of whale protection the relevant zones are the Territorial Sea and the Exclusive Economic Zone (EEZ).

The Territorial Sea is, broadly speaking, the area up to 12 nautical miles from the territorial sea base line established in accordance with UNCLOS. This area comprises territory of the coastal state.

The EEZ, broadly speaking, extends up to 200 nautical miles from the territorial sea base line. In this region, while the coastal state does not have territorial sovereignty, UNCLOS allows exclusive rights to be exercised with respect to the living and non-living resources of the water column and sea bed.

Under the *Environment Protection and Biodiversity Conservation Act 1999*, the EEZ is also designated as the Australian Whale Sanctuary.

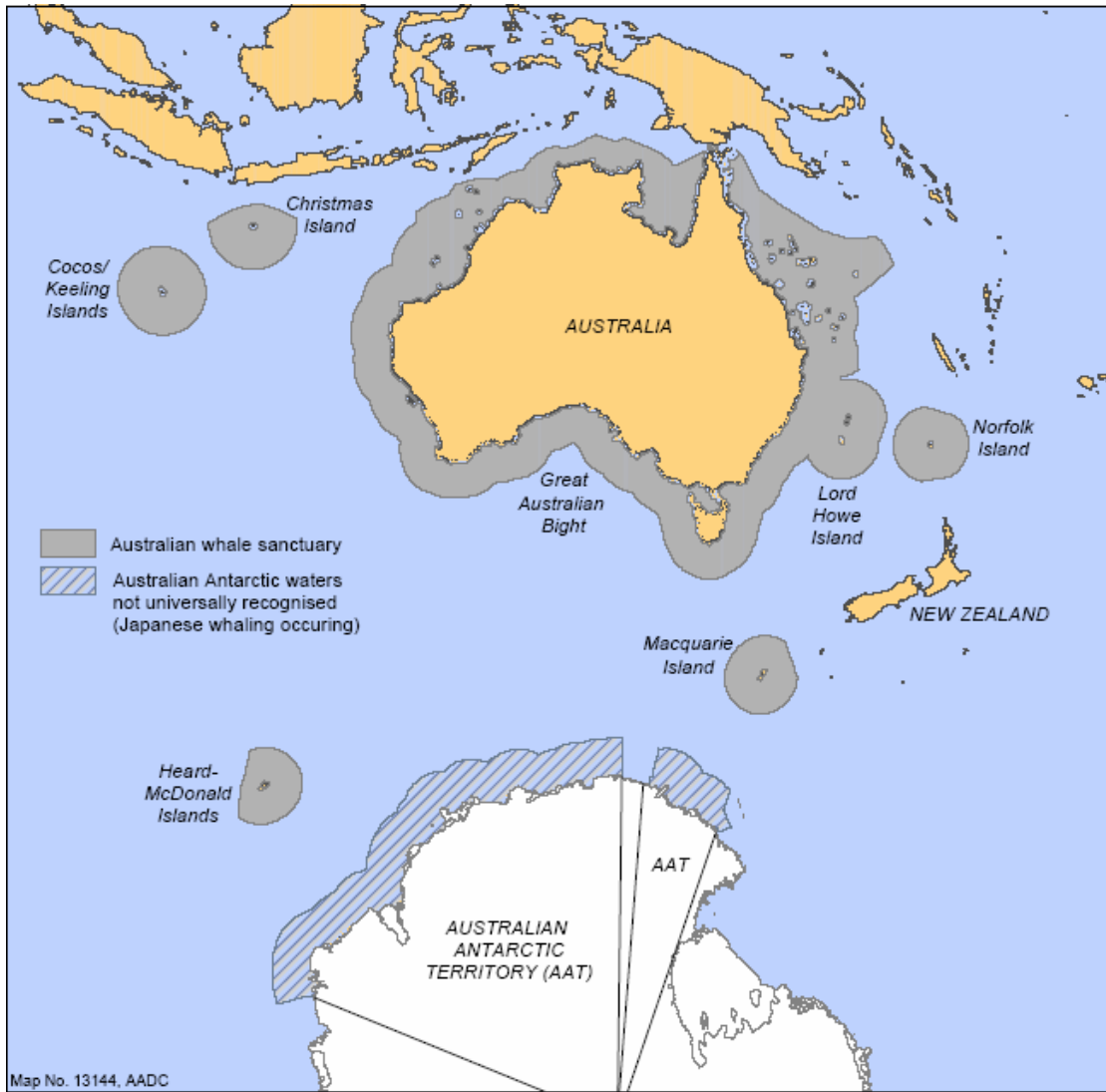
The EEZ around the Australian continent, its islands and external territories (other than Antarctica) is depicted on the enclosed map as the Australian Whale Sanctuary.

Australia claims the Australian Antarctic Territory (AAT) and therefore considers itself to be a coastal state in Antarctica. When Australia proclaimed an EEZ in 1994, this included the Australian waters off the AAT. The accompanying map shows in hatched shading the Australia's Antarctic EEZ, which is therefore also part of the Australian Whale Sanctuary.

Unlike Australia's other territories, and therefore the maritime zones attached to them, the AAT is not subject to universal recognition. In fact, only four other States recognise the validity of the AAT. Australia's interests in the AAT, and the differences of view over questions of sovereignty in Antarctica, are protected by Article IV of the Antarctic Treaty.

As a coastal state, Australia is entitled to assert an EEZ around all of its land territories – in Antarctica this action is protected by the Antarctic Treaty even if our position is not universally recognised. In Australian practice, therefore, the Antarctic EEZ is a whale sanctuary. However, the vast majority of other states (including Japan) do not recognise the validity of the AAT and therefore in Antarctica do not consider that Australia is a coastal state enjoying the right to an EEZ. Such States regard Antarctic waters as high seas and not subject to the jurisdiction or rights of any individual State. In Antarctic practice, each State regulates the conduct of its nationals and activities on the continent and in the waters surrounding the continent.

An assertion of jurisdiction over a foreign vessel in the EEZ of the AAT, even when acting contrary to Australian law, is likely to be considered a breach of the Antarctic Treaty and destabilise that regime contrary to Australia's interests.



BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 04

Topic: Indonesia AusAID program

Hansard Page: 57

Senator Stephens asked:

Can you inform the committee of the value of that second stage?

Answer:

Activity 2 of the AusAID funded Government Sector Linkage Program (GSLP) project, "Capacity Building in Indonesian Fisheries Management", has a budget of \$80,125.58. Various organisations have also committed to contributing in-kind support for the Activity. These organisations include the Department of Agriculture, Fisheries and Forestry, the Australian Fisheries Management Authority, the Department of the Environment and Heritage, the Australian Customs Service and some State and Territory fisheries departments. The estimated value of this in-kind support is \$27,900. This means that the total estimated value of the nine-week training secondment for two officials from the Indonesian Ministry for Marine Affairs and Fisheries is \$108,025.58.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 05

Topic: Illegal fishing [in Australia's northern waters]

Hansard Page: 57-58

Senator Stephens asked:

How do the figures you gave me—194 impounded and 154 boarded—compare to last year?

Mr P Murphy—By financial year?

Senator Ian Macdonald—I was just querying this myself. When I issue media releases I talk about this calendar year. These are financial year figures. I just want to make sure you understand there is a difference in case you are checking one of my media releases, because we are talking about different things.

Mr P Murphy—I have the calendar year data as well.

Senator STEPHENS—Calendar year would be useful, and then I can check the minister's press releases!

Mr P Murphy—The figure for apprehensions in the calendar year up to 24 May is 98 and there have been 70 seizures of catch and fishing gear. I have calendar year data for 21 May last year, which shows that 48 boats were apprehended and 41 had forfeitures of catch and fishing gear.

Senator STEPHENS—And the year before?

Mr P Murphy—I can give you the totals for calendar year or financial year going back.

Senator STEPHENS—Maybe you can take that on notice and provide it later—that will be fine.

Answer:

There was a total of 138 vessels impounded and 55 legislative forfeitures in northern waters in the 2003 calendar year.

There was a total of 134 vessels impounded and 83 legislative forfeitures in northern waters in the 2003-04 financial year.

Question: F&F 06

Topic: Illegal fishing: Darwin detention facilities

[Detention of illegal foreign fishers]

Hansard Page: 60

Senator Stephens asked:

Would it be 50 days or longer for the person who has been detained longest?

Answer:

The longest period of time a person has been detained is 120 days. This detention was some time ago and precedes the rapid repatriation practices now followed.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 07

Topic: Illegal fishing news story

Hansard Page: 62

Senator Stephens asked:

For “AQIS’s account of the actual events” and “information about the name of the boat, the type of boat, what it was fishing and what catch was secured, et cetera”

Answer:

An Australian Quarantine and Inspection Service (AQIS) officer received a telephone call from Coastwatch on 20 March 2005 advising that an Indonesian foreign fishing vessel (FFV) was foundering six nautical miles off Caffarelli Island near Derby, Western Australia. The vessel had been located by the Australian fishing vessel, ‘Stormraker’.

Coastwatch advised AQIS that there were no surface response vessels in the vicinity and that they would not be able to arrange for an interception of the vessel for approximately two days. They also advised that the FFV was reportedly being monitored by the ‘Stormraker’ that was drifting nearby.

The AQIS officer specifically advised the Master of the ‘Stormraker’ that AQIS would not direct him to secure the FFV and that it had requested Coastwatch to monitor the movement of the vessel until surface assets were available to respond.

A search and rescue was initiated from nearby Cockatoo Island by local persons using a six metre boat organised by Derby Police - the crew was removed and the Indonesian boat anchored where it was found with the assistance of the ‘Stormraker’ crew. The crew were initially taken to Cockatoo Is before being transferred to Willie Creek near Broome around 20 March 2005 where they were held in immigration detention pending removal from Australia.

The Australian Fisheries Management Authority (AFMA) sought the assistance of the Senior Fisheries Officer, Fisheries WA Broome, to investigate what the fishing boat was doing in this area. The officer attended the Willie Creek facility and had discussions with the crew. As a result of these discussions it was found that the Master was well known to fisheries authorities having been apprehended in Australian waters on five previous occasions.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

AFMA requested Coastwatch to organise for the boat that was anchored six nautical miles off Cafferelli Island to be collected by a patrol boat and brought to Broome. A Customs' patrol boat failed to re-locate the boat on 25 March 2005. The boat is believed to have broken up and sunk.

The Master, 'Udin LAHOYA', was brought before the Broome Magistrates Court on 29 March 2005. He pleaded guilty to two charges, one of fishing inside the AFZ and the other for being in control of a boat equipped with nets, traps or other equipment. He was fined \$5,000 for the first charge and \$3,000 for the second charge. He served 33 days in prison in default of these fines.

Question: F&F 08

Topic: Abalone Discussion Paper

Hansard Page: 64

Senator Stephens asked:

Getting to the issue of abalone, the Department produced its discussion paper in March. It also canvasses some options around the illegal trade, I understand. What is the next step?

Answer:

The Department of Agriculture, Fisheries and Forestry (the Department) released the “*Effective Export Controls for Illegally Harvested Abalone*” discussion paper for public and stakeholder comment on 8 March 2005.

The paper:

- provided a brief outline of the Australian abalone industry (including a discussion of management arrangements and jurisdictional responsibilities);
- identified some of the costs of the trade in illegally harvested abalone;
- outlined a range of options that could possibly be implemented to improve the Australian Government’s control over the export of illegal abalone; and
- invited comments from stakeholders on the feasibility of each of these options.

The original closing date for comment was extended from 22 April 2005 to 13 May 2005. Responses were received from a wide range of stakeholders, including Australian Government agencies, State fisheries agencies, abalone industry representative bodies and individual industry members.

Over the next few months, the Department will be discussing the options which the stakeholders preferred with relevant Australian Government and State fisheries agencies and industry representatives. The matter will then be put to appropriate portfolio Ministers for their consideration.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Fisheries and Forestry Division

Question: F&F 09

Topic: Logging on Tiwi Islands

Hansard Page: 67-68

Senator Brown asked:

Is there clear-fell logging on the Tiwi Islands? Is it intended to increase the project from 30,000 to 100,000 hectares? Is the logging material going to Korea and other places overseas?

Answer:

In accordance with the project plan approved under the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*, clearing of land on the Tiwi Islands, and associated salvage operations, are being undertaken to establish plantations.

The Minister for the Environment and Heritage approved a 26,000 hectare project under the EPBC Act. Prior to this a 5,200 hectare project was approved under the *Environment Protection (Impact of Proposals) (EPIP) Act 1974*.

Harvested logs from the conversion operation and plantation logs are being exported to countries in south east Asia, but not Korea to date.

Question: F&F 10

Topic: Forestry Buying Water

Hansard Page: 73

Senator Brown asked:

Is there any forestry operation or plantation in Australia that pays for the water that it withdraws or which does not get into the catchment because of that plantation growth?

Answer:

No forestry operation or plantation is required to pay for water unless it is an irrigated plantation.

In fully allocated water systems, the National Water Initiative requires any proposals for additional interception activities, which are above an agreed threshold size, to obtain a water access entitlement.

Question: Food & Ag 01

Topic: Food Processing Technologies [Key technology areas under the National Food Industry Strategy Centres of Excellence program]

Hansard Page: 13

Senator O'Brien asked:

Can you give us a list of the key technology areas that you are referring to?

Answer:

The key technology areas identified are functional foods and food safety. Within the area of functional foods, the Centre of Excellence in Functional Foods has focussed on development of foods which address nutritional issues across the human life cycle. Within the area of food safety, the Centre of Excellence in Food Safety has focussed on predictive microbiology and microbiological risk analysis.

Question: Food & Ag 02

Topic: Food Innovation Grants Technologies [under the National Food Industry Strategy Centres of Excellence and Food Innovation Grants programs]

Hansard Page: 14

Senator O'Brien asked:

Can you perhaps identify those new products and technologies on notice?

Answer:

Seven rounds of funding have been announced under the Food Innovation Grants (FIG) with 41 companies receiving grants for projects valued at \$71 million. The FIG contribution to this new investment in innovation and R&D in the food industry totals more than \$30 million. Further details of the grants may be obtained from the National Food Industry Strategy Ltd website <http://www.nfis.com.au/>.

New products and technologies are emerging as grant projects are now being completed. These include: a functional ingredient which is incorporated in icecream and in a number of functional beverages in the UK and other export markets; new value added pasta which is on sale in Australia and the UK; new milk powder sacks which allow more efficient stacking; a clear "glasslike" plastic pack for abalone, which is being sold on export markets; and a unit for reprocessing of potable water to wash potatoes, which is now operational.

The Centre of Excellence in Functional Foods is focussing on development of foods which address nutritional issues across the human life cycle. The Centre's work on human and nutritional modelling has been incorporated in a "Kids' Food" project which has secured significant industry co-investment.

The Centre of Excellence in Food Safety is focussing on becoming a world leader in predictive microbiology and microbiological risk analysis. The Centre's refrigeration index has been incorporated by Australian Quarantine and Inspection Service in revised Export Meat Orders. The Centre's Food Safety Toolkit is being used by Food Safety Authorities in Australia and Singapore.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 03

Topic: National Food Industry Strategy expenses

Hansard Page: 17

Senator O'Brien asked:

Can you give us some indication of how much money is involved for this and the next financial year?

Answer:

Departmental funding for programs managed by the Department of Agriculture, Fisheries and Forestry under the National Food Industry Strategy in 2005-06 is \$5.1 million and, for activities managed by National Food Industry Strategy Ltd, \$4.4 million.

Departmental funding for National Food Industry Strategy programs managed by the Department in 2006-07 is \$5.4 million and, for activities managed by National Food Industry Strategy Ltd, \$4.5 million.

Question: Food & Ag 04

Topic: New Industries Development Program

Hansard Page: 25

Senator O'Brien asked:

How many enterprises—new or otherwise—have gained skills and resources that have enabled them to commercialise new products? Can you quantify that?

Answer:

There have been 167 Pilot Commercialisation Projects and 60 In-Market Experience Scholarships funded to date through the New Industries Development Program.

Question: Food & Ag 05

Topic: PCP Grants: New Industries Development Program

Hansard Page: 25

Senator O'Brien asked:

There was a mid-term review. There must be some objective data.

Mr Souness—There was an internal review.

Senator O'BRIEN—I do not know whether it was mid-term or internal—I am not sure whether I missed it.

Mr Souness—It was undertaken by an independent consultant. That is available. It was done about a year ago.

Senator O'BRIEN—Where is it available? Can you supply it to the committee?

Mr Souness—It is available and we can make it available to the committee.

Answer:

Mr Souness apologises to the committee as the report that he referred to is older than he indicated to the committee. It was delivered to the Department of Agriculture, Fisheries and Forestry in May 2002. Please see attached hardcopy.

Question: Food & Ag 06

Topic: Horticulture Code Administration committee

Hansard Page: 28

Senator O'Brien asked:

As to the code administration committee, I know that farmers were looking for increased representation on that committee, which they see as being stacked at present in favour of wholesalers and retailers. What representations has Mr Truss made to his ministerial counterpart Mr Macfarlane about those concerns?

Answer:

This matter falls within the portfolio responsibility of the Minister for Small Business, the Hon Fran Bailey MP. The former Minister for Agriculture, Fisheries and Forestry, the Hon Warren Truss MP, did not make any formal representations to the Minister for Industry, Tourism and Resources, the Hon Ian Macfarlane MP, or the previous Minister for Small Business, the Hon Joe Hockey MP, about the make up of the Produce and Grocery Industry Code Administration Committee (PGICAC) (formerly known as the Retail Grocery Industry Code Administration Committee).

The three year review of the Produce and Grocery Industry Code of Conduct (the "Buck report") recommended that there be increased representation of growers on the PGICAC. The Australian Government agreed to work with the PGICAC to increase the representation of growers. The Office of Small Business within the Department of Industry, Tourism and Resources advises that the PGICAC has unanimously agreed to increase the number of grower representatives from one to four.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 07

Topic: Regional Advisory Groups [for Secretariat services]

Hansard Page: 51

Senator O'Brien asked:

What is the estimated cost of the provision of the secretariat services for Regional Advisory Groups?

Answer:

Funding of \$3.02 million has been allocated over five years for Sugar Executive Officers (SEOs). Part of the SEOs' duties is to provide secretariat services to the Regional Advisory Groups.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 08

Topic: Sugar Reform Package [Funding provided under assistance packages for the sugar industry]

Hansard Page: 53

Senator O'Brien asked:

...how much will have been spent over the four reform packages since 1998?

Answer:

Sugar Industry Reform Program (SIRP) 2004

As at 10 June 2005, approximately \$116 million has been provided under the program's various components since commencement.

2002 Sugar Industry Reform Program

Approximately \$26 million was provided under this program in the 2002-03 and 2003-04 financial years before it was superseded by the SIRP 2004.

2000 Sugar Industry Assistance Package

Approximately \$60 million was provided under this package during the 2000-01 and 2001-02 financial years.

1998 Sugar Package - Research

In 1998, the Australian Government provided funding of \$13.45 million over four years for priority research in the sugar industry.

1998 Sugar Package - Export

In 1998, the Australian Government approved funding of \$1 million to help the NSW sugar industry develop a greater export focus. The money, which was paid in June 1999, was used as a contribution to a joint-venture with Grainco to provide sugar export shipping facilities by constructing a multi-purpose bulk storage and ship loading facility at Fisherman Islands near Brisbane. The facility was opened on 29 July 1999.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 09

Topic: Sugar industry 'patching'

Hansard Page: 55

Senator O'Brien asked:

'Can you give some examples of the patching proposed?'

Answer:

Please refer to the response provided for Question Food & Ag 10.

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 10

Topic: Regional Advisory Groups (R.A.G.) ‘patching and repairing’

Hansard Page: 56

Senator O’Brien asked:

Can you supply on notice examples of the particular items the regional advisory groups were talking about when, as you describe it, they were taking a patching and repairing approach?

Answer:

The Industry Oversight Group (IOG) has expressed the view that the draft regional plans submitted to date emphasise “repair and patching the existing”, rather than genuine structural reform and do not provide assurances that the industry will become viable or sustainable in three years’ time – the planning horizon that the IOG is using.

The IOG believe that final plans will need to demonstrate that progress towards reform has been made and include the following:

- specific, realistic and measurable targets;
- detail on how structural change will occur, when changes will be completed by and what changes will achieve;
- quantification and provision of appropriate evidence of the added benefits to the region of changes being implemented; and
- contingency plans where identified strategies for change are not successfully implemented to provide regions with the flexibility to identify alternative paths to achieve the region’s goals.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 11

Topic: Assistance to develop business plans applications [Sugar Industry Reform Program 2004 – rejection of Re-establishment Grant applications]

Hansard Page: 56

Senator O'Brien asked:

Can you get us a breakdown of the 107—not individually, of course, but how many rejections fall into which category?

Answer:

As at 13 May 2005, 107 applications for re-establishment grant assistance had been rejected. This comprised 104 cane grower applications and three cane harvester applications.

Of the 104 cane grower applications, 33 did not meet the definition of eligible cane grower, 48 were still farming sugar cane, two were proposing lease arrangements that were not on commercial terms, 15 had assets above the allowable limit, two were not effectively in control of the sugar farming enterprise and four were rejected for other reasons that are not reported as separate categories.

Of the three cane harvester applications, one did not meet the definition of eligible cane harvester, one was still harvesting cane and one was rejected for other reasons that are not reported as a separate category.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 12

Topic: Rejected Industry Advisory Group recommendations

Hansard Page: 57

Senator O'Brien asked:

Can you say on how many occasions the minister has not accepted the recommendations of the industry advisory group, and that is consistent with responses that, for example, Finance and Public Administration has received in relation to the consideration of ACC recommendations by the Minister for Transport and Regional Services in approving or not approving Regional Partnerships grants?

Answer:

On one occasion, the former Minister for Agriculture, Fisheries and Forestry, the Hon Warren Truss accepted three of the five Regional Community Projects recommended to him by the Industry Oversight Group.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 13

**Topic: I.A.G. approved recommendations [Projects recommendations
for approval under Regional and Community Projects]**

Hansard Page: 57

Senator O'Brien asked:

I would like a breakdown of the number of projects recommended for approval by the industry oversight groups and the number of projects recommended not to be approved and also, as I have already said, the number of occasions on which the minister has not accepted the oversight group's recommendation.

Answer:

70 applications for funding were received under round one of Regional and Community Projects. The Industry Oversight Group recommended five projects be funded. The former Minister for Agriculture, Fisheries and Forestry, the Hon Warren Truss announced three successful applicants in round one.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 14

Topic: Department and I.A.G. [Regional and Community Projects – IOG advice]

Hansard Page: 57

Senator O'Brien asked:

On how many occasions did the Department disagree with the advice of the IOG in this regard?

Answer:

The Department of Agriculture, Fisheries and Forestry has not disagreed with the Industry Oversight Group's advice in relation to Regional and Community Projects.

Question: Food & Ag 15

Topic: Applications for Intergenerational Transfer

Hansard Page: 58

Senator O'Brien asked:

Can you give us a breakdown, perhaps on notice, of the reasons for rejection of the 20 applications?

Answer:

Centrelink advises that the 20 unsuccessful applicants for Intergenerational Transfer were rejected because:

- 12 had income above the permissible limit;
- three had assets above the permissible limit; and
- five were not eligible canegrowers.

Question: Food & Ag 16

Topic: Commonwealth spending on South Johnstone Mill

Hansard Page: 59

Senator O'Brien asked:

What legal costs did the Commonwealth incur?

Answer:

The total legal costs incurred for the period from the initial advice sought by the Commonwealth in August 2000 is \$383,551 (exclusive of GST).

This total includes litigation costs of \$217,398 (exclusive of GST) that the Commonwealth incurred in relation to the settlement.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 17

Topic: South Johnstone Mill meetings

Hansard Page: 59

Senator O'Brien asked:

Can you provide a list of all meetings which the minister, his staff, officers of the department or officers of other Commonwealth departments attended to discuss the financial situation facing the South Johnstone Mill in 1999 and 2000?

Answer:

To fully answer this question would require an extensive review of files to be undertaken. If there is a specific meeting which is of concern, details of that meeting may be able to be supplied subject to any commercial in confidence concerns. The Department of Agriculture, Fisheries and Forestry does not hold records of any meetings which may have been attended by officers of other Departments.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 18

Topic: South Johnstone Mill legal framework

Hansard Page: 60

Senator O'Brien asked:

Surely you can tell us what safeguards the department, or any agent on behalf of the department, put in place to protect the interests of the Commonwealth and Australian taxpayers prior to providing for the financial assistance to the South Johnstone mill, the financial matters having been resolved?

Answer:

The provision of the Commonwealth's assistance package was subject to a significant number of conditions, which were designed in consultation with the Australian Government Solicitor to limit the Commonwealth's potential risk exposure. Conditions were set out in a letter of 14 June 2000 from the Minister to CANEGROWERS and the National Australia Bank (NAB). They included, for example, disclosure by CANEGROWERS and the NAB of the financial circumstances of the South Johnstone Mill to the Commonwealth; a condition that suppliers to the South Johnstone Mill enter an enforceable agreement to repay the loan over two years on the basis of a five per cent deduction from mill receipts; a requirement upon CANEGROWERS to take a second mortgage over the assets of the South Johnstone Mill and a commitment in writing from the NAB that the \$3.4 million loan to South Johnstone would be drawn down in accordance with the Mill's cash flow requirements (rather than as a single lump sum).

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 19

Topic: Service fee paid to Department's levies branch

Hansard Page: 62

Senator O'Brien asked:

What is the estimated actual service fee paid to the department's levies branch for the administration of the wheat export charge collection and disbursement and the exporters charge collection in 2004-05?

Mr Taylor—I cannot find a reference at this point but my understanding is that the cost is generally around \$27,000 per year. I will confirm that for you on notice.

Senator O'BRIEN—Would that be your estimate for 2005-06 as well?

Mr Taylor—That is correct.

Answer:

For the 2004-05 PBS financial year (July to June) the estimated actual cost of collecting the wheat export charge is \$26,000.

The correct estimate for 2005-06 is \$34,000.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 20

Topic: Cost to implement review panels recommendations

Hansard Page: 63

Senator O'Brien asked:

So where does the other \$261,000 end up?

Mr Taylor—I do not have that detail with me, unfortunately.

Senator O'BRIEN—It is the lion's share of the \$318,000. Could you give us a rough idea? I accept you will give us the precise detail on notice.

Answer:

The Wheat Export Authority advises that the figure of \$0.318m on page 299 of the 2004-05 Portfolio Budget Statement (PBS) should have read \$0.618m to agree with Output 3 estimated actual figure for 2004-05 of \$0.618m reported on page 294 of the 2004-05 PBS.

A break down of actual estimated expenditure on the 2004 Wheat Marketing Review for 2004-05 is:

2004 Panel and Secretariat Costs	\$0.490m
Salary costs associated with responding to requests for assistance, plus preparing for, and attendance at, meetings with the Review Panel and Panel Secretariat	\$0.086m
Travel to attend meetings	\$0.007m
Overhead allocation covering rent, stationery, phone et al	\$0.032m
Contingency for additional legal, financial and economic advice	\$0.003m

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 21

Topic: Iraqi Wheat

Hansard Page: 66

Senator Ferris asked:

I was not suggesting that but I would have thought that it fell within principal output No. 2 which, just to contextualise it, says:

To effectively monitor, examine, and accurately report to stakeholders on the export performance of AWBI and the resulting benefits to growers.

AWB Ltd has a chartering division paid by the national pool to provide ocean freight capacity to transport wheat to market and my understanding is that no other freight provider can even bid for business to AWB(I), that is, it is a monopoly. Therefore I would have thought that when a vessel is held up at the other end of a journey, such as the bulk ships that have been outside the Iraqi ports for some months now waiting to discharge wheat, that under output No. 2 it would have been of interest to the WEA to start looking at the effect on the return to growers through the pool of the continuing costs of demurrage. I am particularly interested in the liability for costs for this wheat that has now been held up for quite a long period of time while arguments take place about the quality of the wheat. As I say, I know it is owned by the Iraqis but the demurrage comes back to the pool costs and I would have thought that under output 2 that would have been of interest to you.

Answer:

The Wheat Export Authority (WEA) has previously reported publicly on the chartering arrangements between AWB Ltd and the National Pool through the WEA's annual Growers' Report. (2003 Growers' Report pages 16-17 and 2004 Growers' Report page 12). In summary, the WEA reported that the chartering arrangements deliver a number of benefits to the National Pool, are more transparent and an improvement over previous arrangements.

The WEA routinely reports the costs to the National Pool, which includes the aggregated demurrage costs.

Demurrage clauses are a standard inclusion in the majority of dry bulk charter contracts worldwide, including coal, iron ore, minerals, cement, grains, salt and steel products. At the time of negotiating sales contracts, the prices negotiated with the buyer by Australian Wheat Board (International) (AWB(I)) generally factor in such things as the length of the buying and selling relationship, the risks associated with the delivery of the wheat, and the prevailing world market conditions at the time.

The situation in Iraq is still unfolding, although the latest reports are that the ships are now being unloaded. The actual costs finally accruing to the National Pool would be dependent upon current negotiations and the specific arrangements entered into at the time of the contract, which is a commercial matter for the AWB(I) and not yet finalised.

Question: Food & Ag 22

Topic: AWB Ltd amended services agreement

Hansard Page: 68

Senator Ferris asked:

At page 16 of your 2004 report there is reference to the amended services agreement between AWB Ltd and AWB International. A wholly owned subsidiary, AWB Services, was formed to supply services to AWB International. Does the subsidiary supply services to AWB Australia, the domestic trading division? If so, how does AWB(I) ensure that the base fee of \$65.1 million is not cross-subsiding the operations of the domestic division?

Answer:

During the 2003-2004 performance monitoring period, the Wheat Export Authority (WEA) examined and reported on the governance arrangements between Australian Wheat Board (International) (AWB(I)) and Australian Wheat Board (AWB) Ltd and the safeguards in place to protect growers' interests (page 15 - 2004 Growers' Report).

The WEA also conducted a detailed examination of the Base Fee and the costs of operating the National Pool (pages 18 and 19 – 2004 Growers' Report). The WEA was satisfied that the Base Fee was consistent with the reported operating costs and were not cross-subsidising the operations of the domestic divisions.

In addition, the WEA examined the scope for cross subsidies between the National Pool and the commercial areas of the AWB Group of companies. In conducting this assessment, the WEA looked at transactions relating to foreign exchange and commodity hedging, Chartering and Risk Assist.

In all cases, the WEA was satisfied that there was an appropriate separation between the National Pool and the commercial activities of the AWB Group.

Question: Food & Ag 23

Topic: WEA staff profile

Hansard Page: 69

Senator O'Brien asked:

How many of your staff were born overseas with English as a first or second language?

Answer:

Of the 15 Wheat Export Authority staff members, five were born overseas, all of whom speak English as a first language.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 24

Topic: WEA member expenses

Hansard Page: 70

Senator O'Brien asked:

In addition to remuneration, what member expenses does WEA fund or reimburse? ...
Would it be a problem to provide us with a breakdown for the current financial year?

Answer:

The Wheat Export Authority (WEA) reimburses Members for out of pocket expense incurred in attending Board and industry meetings. The WEA pays a motor vehicle allowance in accordance with the Remuneration Tribunal Determination 2004/03, for the use of a private vehicle.

A breakdown of reimbursements for the period 1 July 2004 to 30 April 2005 is as follows:

Category	Amount
Taxi fares	\$95.16
Parking	\$699.00
Incidentals	\$714.00
Accommodation	\$815.09
Meal Allowance	\$2,522.00
Mileage Allowance	\$5,587.04

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 25

Topic: WEA meeting locations and costs

Hansard Page: 71

Senator O'Brien asked:

Where was each board meeting held in the current financial year and what was the associated cost?

Mr Besley—We can provide that. Do you want the direct costs—travel costs?

Senator O'BRIEN—Travel costs, venue and accommodation.

Answer:

Board Meetings 1 July 2004 to 30 April 2005

Date	Location	Travel Costs \$	Travel Allowance \$	Accomm \$	Catering \$	Total \$
15 July 2004	Canberra	2,082	78	162	97	2,419
27 July 2004	Melbourne	5,898	290	1,018		7,206
25 August 2004	Melbourne	7,168	700	982		8,850
3 September 2004	Melbourne	7,093	919	982		8,994
22 September 2004	Canberra	2,927	416	418	65	3,826
22 October 2004	Canberra	2,523	86	320	65	2,994
8 November 2004	Melbourne	5,566	108	178		5,852
24 November 2004	Canberra	3,299	187		53	3,539
2 December 2004	Canberra	3,205	266		58	3,529
25 January 2005	Sydney	2,684	143			2,827
9 February 2005	Canberra	3,381	297	156	117	3,951
7 April 2005 (**)	Brisbane	3,740	169	673		4,582
Total		49,566	3659	4,889	455	58,569

Note ** This meeting was held during Grains Week 2005. Only the additional costs of Wheat Export Authority Secretariat staff travel to attend the Board meeting have been included.

Question: Food & Ag 26

Topic: WEA Correspondence from Mr Walter

Hansard Page: 71-72

Senator O'Brien asked:

On what date did Mr Walter notify the minister and the WEA he would be standing aside from duties as at 27 July last year?

Mr Besley—It would have been about that date. I do not have his letter with me, but we could tell you precisely what it was. He wrote to the minister and stood aside.

Senator O'BRIEN—Could we have copies of the correspondence?

Mr Mortimer—That is an issue for the department for the minister if Mr Walter wrote to the minister, but we are happy to see whether the minister is happy to do that.

Senator O'BRIEN—He wrote to the board as well. Can we have a copy of the letter to the board? There were two different letters.

Mr Besley—I would need to check that.

Senator O'BRIEN—Are you saying the minister got a copy of the letter to the board or vice versa?

Senator Ian Macdonald—Why don't we take it all on notice, check facts and see whether the minister is happy to release it?

Answer:

Mr Walter wrote separately to the Wheat Export Authority (WEA) Board and the Minister.

The release of correspondence to the Committee between Mr Walter and the Minister is at the discretion of the Minister. Having inquired on the release of the correspondence to the Committee, the Minister's Office granted approval for the release of the letter from Mr Walter.

Mr Walter has also given his approval for copies of his correspondence to the WEA Board and the Minister to be released to the Committee.

Copies of the correspondence between Mr Walter and the WEA Board and Mr Walter and the Minister are attached.

Question: Food & Ag 27

Topic: Advice on 'presiding member'

Hansard Page: 72

Senator O'Brien asked:

Yes, they did seek advice on the situation that the WEA board was faced with, with the chairman standing aside. That advice outlined for the WEA what scope it had and what options it had to function in the absence of a chairman.

Senator O'BRIEN—I wonder if the board would provide a copy of that advice to this committee.

Mr Besley—From the Government Solicitor?

Senator O'BRIEN—Yes.

Mr Besley—Again, I think the advice is a matter for the department. David, is it not?

Mr Mortimer—It is probably a board matter.

Mr Besley—If the board can do it, I do not have a problem at all with it. I am told that we sought it, and I see no problem in providing that advice.

Answer:

A copy of the advice is attached.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

-----Original Message-----

From: Lahy, Peter [mailto:Peter.Lahy@ags.gov.au]

Sent: Thursday, 29 July 2004 1:39 PM

To: glen.taylor@wea.gov.au

Cc: Blight, Jake

Subject: Acting Chairperson

Importance: High

Hi Glen

I refer to our conversation earlier today about the possible appointment of an acting Chairperson of the Wheat Export Authority (WEA). We have given consideration here to the various issues that you have raised with me and also carried out some research. Our comments in relation to those issues are set out below for your consideration. We are happy to discuss them further with you after you have had an opportunity to look at them.

'Standing aside' of present Chairperson

We understand from the conversation this morning that the current Chairperson is proposing to 'stand aside' from his role as Chairperson for some months. We also understand in this context that he has written to the Minister advising the Minister of his desire in this regard and seeking the Minister's approval. As noted in our conversation it would be necessary for the Chairperson to obtain the prior consent of the WEA so as to avoid any risk that his appointment as Chairperson would be subject to termination by virtue of the operation of s.8(2)(c) of the *Wheat Marketing Act 1989* (the WM Act).

We note that the remuneration of the Chairperson is currently set out in Determination 2004/12 of the Remuneration Tribunal (a copy of which you have provided to us). In accordance with that Determination, the Chairperson is entitled to \$69,930 per annum (and see s.9 of the WM Act). Given that the remuneration of the Chairperson is fixed on a per annum basis it presently appears to us that he would continue to be entitled to the remuneration set out in the Determination notwithstanding the fact that he has 'stepped aside' for some months. This may be an issue for the Minister to consider, for example, in relation to whether it would be appropriate to appoint another person to act as the Chairperson, were that person to expect to be paid at the same rate as the Chairperson (and see our comments below about remuneration of an acting Chairperson).

Possible appointment of acting Chairperson

As Jake had mentioned in the e-mail sent to you yesterday evening, there does appear to be scope to rely on s.33(4) of the *Acts Interpretation Act 1901* (the AIA) to appoint a person to act as a Chairperson while the Chairperson has 'stood aside'. In this context, it appears possible to equate the 'standing aside' with an 'absence' of the Chairperson (in the present context, 'absence' is the relevant word used in s.33(4) of the AIA).

You have mentioned a possibility that the independent member (see s.6(1)(d) of the WM Act) be the acting Chairperson. It appears to us that, if it is intended that the independent member be appointed as the acting Chairperson, that that member take leave of absence with the WEA's consent from his office of member. That is to say, we presently doubt whether under the WM Act a person could, at the same time, be carrying out activities as a member and as an acting Chairperson. (The member's leave of absence would not prevent the WEA from carrying out its functions and powers even if another person was not appointed to be an acting member. That is because the quorum requirements are that there be 3 members.)

Remuneration of possible acting Chairperson

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Another issue that presently appears to arise is the remuneration of a person who has been appointed as an acting Chairperson in accordance with s.33(4) of the AIA. It presently seems doubtful to us whether an acting Chairperson would presently be covered by the Determination. In this regard, there does not appear to be a statutory mechanism that *automatically* applies the Chairperson's rate of remuneration to an acting Chairperson. That is not to say that it would not be possible to make remuneration arrangements for an acting Chairperson. However, such arrangements would presently seem to require further action by the Remuneration Tribunal or possibly the making of a regulation for the purposes of s.9 of the WM Act.

As mentioned above, we would be happy to discuss the issues further.

Regards

Peter

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BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Our ref. 2099027701

26 February 2004

Kyle Thoms
Manager Corporate Services & Communications
Wheat Export Authority
Edmund Barton Building
BARTON ACT 2601

Dear Mr Thoms

Wheat Export Authority - Upcoming Vacancies within Membership of Authority

1. We refer to your email requesting advice, dated 18 February 2004, addressed to Jake Blight of this office in relation to upcoming vacancies within the membership of the Wheat Export Authority (the WEA).

Background

2. We understand that the tenures of the Chairperson and the Western Grower States member of the WEA will be expiring on 30 June 2004. You seek advice in relation to the position of the WEA after that date, in the event that there is no decision made by the Minister to extend the tenure of the Chairperson or to appoint a new Chairperson under the *Wheat Marketing Act 1989* (the WM Act).

Short Answer

3. Our short answer to your question is as follows:

Q. *Is there any provision under the WM Act, the Commonwealth Authorities and Companies Act 1997 or any other pertinent statute that might allow a member of the Authority to deputise in the Chairperson's place once the Chairperson's tenure has ended?*

A. In our opinion, the WEA has no power to 'deputise' a member to act as Chairperson except in relation to presiding at a meeting of the WEA. We do not consider that election to preside at such a meeting would allow the member to exercise specific statutory duties of the Chairperson. In any event, we consider that the Minister is under an implied obligation to fill the vacancies that will be created within a reasonable time. He may choose to appoint a new Chairperson or new member in the ordinary way or appoint an acting Chairperson or acting member.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

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Food and Agriculture Division

Reasons

Role of Chairperson

4. The WM Act sets out a number of duties which may only be exercised by the Chairperson of the WEA. These include presenting reports to the Grains Council and being available for questioning in relation to those reports (section 15), informing the Minister about changes in the operational plan of the WEA (subsection 16(3)) and signing certificates relating to proceedings for offences against section 57 (subsection 57(4)).
5. Pursuant to subsection 6(4) of the WM Act, it is the Minister who has the power to appoint members, including the Chairperson. Neither the WM Act, the *Commonwealth Authorities and Companies Act 1997* nor any other Act confer power on the membership of the WEA to appoint a Chairperson or select any of its members to act in the capacity of the Chairperson, except in relation to presiding at meetings. Subsection 10(5) of the WM Act states that where the Chairperson is not present at a meeting, the members present must elect a member to preside.
6. We do not think that a 'presiding member' elected under subsection 10(5) of the WM Act could exercise any of the specific statutory powers of the Chairperson at those meetings. In our opinion, the 'presiding member' is elected only to control the conduct of meetings, not to exercise any of the powers specifically conferred upon the Chairperson. In any event, there are clearly some functions of the Chairperson which could not be carried out at such meetings. For instance, it is the Chairperson who must be available to the Grains Council for questioning following the submission of a report (paragraphs 15(1)(c) and 15(2)(c)).

Requirement to fill vacancies

7. Subsection 6(4) of the WM Act states that "Each member is to be appointed by the Minister...". Although this language is not in mandatory terms, in our opinion the fact that the duties of the Chairperson as detailed above in paragraph 4 are necessary for the operation of the statutory scheme created by the WM Act obliges the Minister to appoint a Chairperson. There is, however, no explicit time-frame for making such appointments, although at common law it must be within 'reasonable' time. Given the specific functions of the Chairperson, it may be considered reasonable for the Minister not to appoint a new Chairperson for a time, if the Minister has reasons to do so, as those functions may not be required to be exercised immediately after the expiration of the present Chairperson's tenure. It is not possible to give an exact time-frame but in the present case we think it would be necessary for the Minister to appoint a Chairperson or acting Chairperson before the duty to be available to the Grains Council to respond to questions under section 15 arises.
8. The position with respect to the appointment of a new member is not so clear as, unlike the Chairperson, members are not conferred with specific powers or obligations. Our understanding is that the member whose term is due to expire is a member referred to in paragraph 6(1)(b) of the WM Act, being a member nominated by the Grains Council who was ordinarily resident, at the time of their appointment, in

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

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Food and Agriculture Division

Western Australia or South Australia. Section 6 of the WM Act establishes a representative membership of the WEA by providing for 1 member nominated by the Grains Council who is ordinarily resident, at the time of appointment, in New South Wales, Victoria, Queensland or Tasmania and 1 member nominated by the Grains Council who is ordinarily resident, at the time of appointment, in Western Australia or South Australia.

9. We consider that this representative structure would be defeated if the Minister was not under an implied duty to appoint a member within a reasonable time. As such, we consider that the Minister is under an implied obligation to appoint a new member nominated by the Grains Council who is ordinarily resident, at the time of appointment, in Western Australia or South Australia.

Minister can make acting appointments

10. Pursuant to subsection 6(4) of the WM Act, the Minister may appoint a new Chairperson or member of the WEA. Alternatively, the Minister may choose to appoint a Chairperson or member on an interim basis pursuant to subsection 33(4) of the *Acts Interpretation Act 1901* (the Interpretation Act) which provides as follows:

(4) Where an Act confers upon any person or authority a power to make appointments to any office or place, the power shall, unless the contrary intention appears, be construed as including a power to appoint a person to act in the office or place until:

- (a) a person is appointed to the office or place, or
(b) the expiration of 12 months after the office or place was created or became vacant, as the case requires:

whichever first happens, and as also including a power to remove or suspend any person appointed, and to appoint another person temporarily in the place of any person so suspended or in place of any sick or absent holder of such office or place:

Provided that where the power of such person or authority to make any such appointment is only exercisable upon the recommendation or subject to the approval or consent of some other person or authority, such power to make an appointment to act in an office or place or such power of removal shall, unless the contrary intention appears, only be exercisable upon the recommendation or subject to the approval or consent of such other person or authority.

11. The effect of this subsection in the present case is that the Minister, who has power to appoint the Chairperson and other members of the WEA, also has the power to appoint an acting Chairperson or acting member for a period of up to 12 months. We note that with respect to the replacement of a member referred to in paragraph 6(1)(b) of the WM Act, the relevant preconditions as to nomination must be satisfied even where the appointment is on an 'acting' basis. In this case, the new member would need to be nominated by the Grains Council and be ordinarily resident in Western Australia or South Australia.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

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12. Subsection 33(2) of the Interpretation Act provides for the holder of an office for the time being to possess all the powers and functions conferred upon that office. In other words, an acting Chairperson or member will be able to exercise all the powers and functions of a Chairperson or member appointed for the full 3 year term under subsection 6(4).

Decisions of the WEA not affected by vacancy

13. Subsection 6(6) of the WM Act states that the performance of functions and the exercise of powers by the WEA is not affected by any vacancy in its membership. This means that generally vacancies will have no effect on the performance of the WEA's functions including controlling the export of wheat pursuant to section 57 of the WM Act. Of course, a minimum number of members must be appointed and be present at a meeting in order to achieve a quorum pursuant to subsection 10(3) of the WM Act. In the present case, 3 members are required for a quorum, one of whom must be a member referred to in paragraph 6(1)(b).
14. If you have any queries in relation to this matter, please do not hesitate to contact us.

Yours sincerely

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Question: Food & Ag 28

Topic: Grain Council of Australia reimbursements

Hansard Page: 74

Senator O'Brien asked:

What reimbursements have been provided for meetings in 2004-05 to date?

Answer:

The Grains Council of Australia (GCA) invoice was authorised for payment by the Wheat Export Authority (WEA) on 13 September 2005. The invoice is for \$42,804.38 and will be paid within 7 days.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 29

Topic: WEA International travel

Hansard Page: 74

Senator O'Brien asked:

It appears that in 2003-04 representatives of the WEA, members and/or staff travelled to Vietnam, New Zealand, China and Italy. I would like to know what the total cost of overseas travel in that financial year and the current financial year has been.

Answer:

The total cost of overseas travel in 2003-04 was \$125,749. No overseas travel has been undertaken or is planned in the current financial year.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 30

Topic: Cost to produce growers and ministers report

Hansard Page: 74

Senator O'Brien asked:

One of the authority's key functions is to prepare a report on AWBI's export performance that examines and reports on how growers benefit from that performance. You produced two reports, one for the minister and one for the growers. Can you tell me what it cost to produce the 2004 report to the minister and the 2004 growers report?

Answer:

The cost to produce the 2004 PMR report on the performance of Australian Wheat Board (International) (AWB(I)) for the Minister was \$2,745. One copy was provided to the Minister, and additional copies were provided to the Board of the Wheat Export Authority (WEA), the Board of AWB(I), AWB(I) Management and WEA file copies.

The cost to produce the 2004 Growers' Report on the performance of AWB(I) was \$25, 018, which provided 42,000 copies.

Question: Food & Ag 31

Topic: WEA insurance contract

Hansard Page: 75

Senator O'Brien asked:

A final question which goes to the issue of accountability to wheat growers and the parliament: page 58 of your annual report says the WEA's insurance contract 'prohibits the disclosure of the amount of premiums payable by the authority'. I would have thought the growers that fund the organisation and therefore pay the bills and the parliament that authorise the compulsory collection of that funding would be entitled to know every last detail of your finances. Who do you insure with?

Mr Taylor—I am not sure of the basis of that statement, but I would be happy to take that on notice and get back to you, if that is okay.

Senator O'BRIEN—I would like to know who insures and what the premium is, because I believe that growers are entitled to know. Can you quantify the value of the benefit of the single desk to Australian wheat growers after five years in existence?

Answer:

The Wheat Export Authority (WEA) arranges its insurance through Comcover. Consistent with the provisions of the insurance contract with Comcover, the WEA has sought and received Comcover's approval to disclose that the WEA's insurance premium for the period 1 July 2004 to 30 June 2005, was \$37,722.27.

In relation to the second part of the question which refers to "the value of the benefit of the single desk to Australian wheat growers after five years in existence?" the answer to this part of the question was provided in the course of the hearing. Please refer to the Hansard transcript of Wednesday, 25 May 2005, page 75, lines 18-29.

Question: Food & Ag 32

Topic: AWBI assessment of the single desk benefit

Hansard Page: 75

Senator O'Brien asked:

What parts had to be withdrawn? You are starting to get my curiosity up here. They were put out by—

Mr Besley—They put out some fact sheets, which we took a little bit of umbrage at. They accepted that it was reasonable for us to take umbrage. They withdrew it or they did not circulate it anymore.

CHAIR—You would not care to supply that to the committee, would you?

Mr Besley—I forget which one it was, frankly. I think it might have been headed 'Your single desk'.

Mr Taylor—There was a fact sheet associated with it.

Mr Besley—If they have not all been pulped, we can get you one.

Answer:

Australian Wheat Board published a number of Fact Sheets during 2004 with the "Your Single Desk" report.

Fact Sheet Number four was withdrawn following discussions between the Wheat Export Authority (WEA) and Australian Wheat Board (International) (AWB(I)) on the basis that some of the underlying assumptions and calculations were more relevant to a deregulated system than the current wheat export arrangements. In addition AWBI considered that container trade has had a detrimental impact upon the National Pool in some markets. The WEA was concerned the Fact Sheet implied that the impacts of a deregulated system applied to the current wheat export arrangements.

Copies of the fact sheets are attached.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 33

Topic: Buffalo slaughter levy

Hansard Page: 80

Senator O'Brien asked:

In 2004-05, the buffalo slaughter levy was forecast to be 20,000—that is on page 24 of last year's PBS. It is now estimated to be 5,000. How has that come about?

Ms Standen—I cannot give you any details on the changes in the buffalo slaughter levy. You are specifically asking why there has been a change in the estimates?

Senator O'BRIEN—Yes, why it has been reduced from 20,000 at the beginning of the financial year to an estimated 5,000 at the end of the—

Answer:

The 2004-05 estimate was revised based on the current trend in buffalo slaughter numbers. The decreasing slaughter rate is supported by the level of levy collections and confirmed by Levies Revenue Service regional managers.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: Food & Ag 34

Topic: MLA and Austrade

Hansard Page: 80

Senator O'Brien asked:

So there are no joint programs; it is up to MLA to do the development?

Mr Mortimer—MLA raises funding through levies to do that sort of promotion and activity and the industry is comfortable that those activities are well targeted and effective and so they continue.

Senator O'BRIEN—Is Austrade involved at all, do you know?

Mr Mortimer—I cannot say specifically. My expectation is that MLA would be working with Austrade in different markets, but I cannot say with authority. If you like, I can take it on notice.

Answer:

Advice provided by Meat & Livestock Australia (MLA) is that Austrade works with MLA in a variety of ways in promoting Australia's meat exports. However, MLA as the industry service provider remains the principal program delivery agency.

Question: Food & Ag 35

Topic: Integrity of wine exports

Hansard Page: 81

Senator O'Brien asked:

I wanted to know if you can tell us what the sampling and testing regime is.

Answer:

The Australian Wine and Brandy Corporation (AWBC), an Australian Government statutory marketing authority, has responsibility for export regulation compliance.

An objective of the AWBC is to ensure that Australian wines intended for export are sound and merchantable and do not detract from the established reputation Australian wine exporters have developed. This is achieved by preventing the export of wines that have faults.

Before an exporter can export wine, the *Australian Wine and Brandy Corporation Regulations (1981)* require that the exporter must obtain an export licence. Export approval from the AWBC must be obtained for each export shipment of over 100 litres. An export approval is not issued for a product unless the exporter has obtained continuing approval for the product.

Continuing approval is granted after the wine has been examined by the AWBC. For bottled product continuing approval is granted for 12 months, wine in alternative packaging (including bulk wine) is approved for 3 months or 6 months in the case of fortified wine. The continuing approval means that a number of different consignments can be approved for export based on one assessment.

The process for obtaining continuing approval involves sending two finished samples to the AWBC, accompanied by copies of the labels. The wine undergoes several examinations.

The labelling and analytical detail provided is checked for compliance with domestic requirements. The assessment involves analysis of the specific gravity, alcohol, volatile acidity, titratable acid, sulphur dioxide, residual sugar and pH level. The analysis may be performed by the winery's own laboratory, the bottler, or at another laboratory.

The product is masked and presented to the Wine Inspectors for a sensory evaluation. Following the evaluation the inspectors must satisfy themselves that the wine reasonably reflects the grape varieties claimed on the label, that there is nothing on the label or certificate which is questionable in light of their evaluation, and may require a subsequent independent analysis if necessary. A wine may be rejected if, in the inspector's judgement, it is faulty. An exporter may resubmit the wine for a second evaluation by a different panel of inspectors. If the wine is rejected a second time a further avenue of appeal is available via a review panel consisting of yet another distinct panel of inspectors.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Food and Agriculture Division

Question: 36

Topic: Insurance Premiums

Hansard Page: 76-77

Senator Heffernan asked:

How many other insurance instances are there where the premium is not disclosed around the traps? Is that uncommon, or common?

Answer:

Annual Report accountability arrangements, under the Commonwealth Authorities and Companies (Report of Operations) Orders, provide for disclosure of indemnities and insurance premiums for agency officers. However, the report of operations need not give details of the insurance coverage to the extent that disclosure of those details is prohibited by the insurance contract.

The Australian Government insurer, Comcover, has advised that it requires all clients to seek its written approval prior to publicly disclosing details regarding premiums and terms and conditions, of insurance contracts in order to protect their financial interests.

As such it is at the discretion of relevant agencies, in consultation with Comcover, to determine whether it is appropriate to specifically outline the detail of insurance premium costs within their annual reporting frameworks.

ENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Market Access Division

Question: MA 01

Topic: Iraq Wheat

Hansard Page: 77

Senator Heffernan asked:

Is there a restriction zone around these ships that are sitting 100 yards offshore?

Answer:

There is no defined restriction zone around the ships sitting offshore. However, any entry to the ships is closely monitored by the shipping Master and as with normal international shipping rules, the shipping Master determines who can and cannot enter the vessel at any point in time.

ENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Market Access Division

Question: MA 02

Topic: Iraq Wheat

Hansard Page: 78-79

Senator Heffernan asked:

What were the previous loads in the ships and where did they go previously? Are they grain specific ships, or ships that back load with other stuff? Did the five ships that were knocked back come from five different loading ports.

Answer:

The previous loads in the five ships were wheat, soya beans, iron ore, iron ore pellets and cement clinker respectively. The Department of Agriculture, Fisheries and Forestry has been unable to obtain information on what ports the vessels previously visited.

The ships involved are not grain specific ships.

The loading ports of the five ships that experienced problems were; Brisbane, Esperance, Thevenard/Port Lincoln (part loads from two ports), Wallaroo/Port Lincoln (part loads from two ports) and Albany.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Market Access Division

Question: MA 03

Topic: MoUs

Hansard Page: 98

Senator O'Brien asked:

Are English language copies of these agreements able to be supplied to the Committee?

Answer:

As the Memorandum of Understanding (MoU) documents are bilateral agreements the Department of Agriculture, Fisheries and Forestry has commenced making representations to the Governments of Saudi Arabia, Kuwait, Jordan and Eritrea seeking confirmation that they are willing to provide the signed MoU documents to the Committee.

Consultations with the Government of Saudi Arabia indicate some sensitivities to the public release of the MoU on trade in Live Animals signed with Saudi Arabia on 4 May 2005. On the basis of Australia's broader national interest and bilateral relations with Saudi Arabia we are unable to provide a copy of the signed MoU. The Department of Agriculture, Fisheries and Forestry is willing to brief the Committee *in camera* on the content of the MoU if desired.

Kuwaiti government officials have advised that they have no concerns with providing a signed copy of the MoU document to the Committee. Copies are attached for the Committee.

We are still waiting for a response by Jordanian and Eritrean Governments to our request to provide copies of the relevant MoUs to the Committee. Once further advice or agreement has been received from these Governments, the Department will respond to the Senator's question as appropriate.

A copy of the United Arab Emirates MoU was provided to the Committee in February 2005.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Management Services Division

Question: MS 01

Topic: Department and Biosecurity output

Hansard Page: p7

Senator O'Brien asked:

So the output of the department and Biosecurity together is represented by that \$312-odd million, and for the coming financial year the output of the department and Biosecurity together seems to me to be the combination of the department's output and Biosecurity's output.

Mr Pahl—That is true.

Mr Gaukroger—That is correct.

Senator O'BRIEN—Which is \$327 million.

Mr Pahl—Yes.

Senator O'BRIEN—So, comparing like with like, there has actually been an increase in the funding of the departmental Biosecurity output from \$312 million to \$327 million—an increase of \$15 million. Has a substantial part of that been going into Biosecurity Australia or has it been going into other parts of the department?

Answer:

The relevant information was supplied to the Committee Secretariat on the day of the hearing.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: MS 02

Topic: Revenue from sources other than ‘goods and services’

Hansard Page: p10

Senator O’Brien asked:

What about the revenue from other sources? It keeps going up. It was 6.8 in the budget last year, it is revised to 9.8 and you are estimating 10.025.

Answer:

Please see the information provided in answer to question MS 01, which was supplied to the Committee Secretariat on the day of the hearing.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Management Services Division

Question: MS 03

Topic: Revenue from other sources

Hansard Page: p43

Senator O'Brien asked:

"Is it possible to get a more in-depth explanation of the way that the revenue has been calculated, attributing the other sources individually? It says 'revenue from other sources'. I would like a breakdown of what is involved."

Answer:

Revenue from other sources as disclosed in the 2005-06 Portfolio Budget Statement includes industry contributions to the Australian Plague Locust Commission, Australian Fisheries Management Authority and National Residue Survey (\$1.6 million in 2004-05 and \$1.7 million in 2005-06) and other non tax revenue items totalling \$8.3 million in 2004-05 and 2005-06 (including sub-lease of premises or sale of fitout, contributions to vehicles or housing by departmental officers and resources received free of charge such as audit services or services provided to the Australian Quarantine and Inspection Service in airports). In the past the revenue from the seizure of illegal fishing vessels and catches has also been included.

The estimates for these items is based on advice from DAFF Division line areas about expected levels of activity for the year and having regard to prior year outcomes. As per the disclosures in the 2005-06 Portfolio Budget Statement the budget estimate for 2005-06 is consistent with the estimated outcome for 2004-05 across all of these categories.

The balance of revenue derived from the National Residue Survey testing programme on a fee for service basis is included under the sale of goods and services.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Natural Resource Management Division

Question: NRM 01

**Topic: National Action Plan on Salinity and Water Quality and the
Natural Heritage Trust**

Hansard Page: p 82

Senator Stephens

Could you provide the committee with a list of who is doing the work; details of the consultants and the budgets for each of those reviews. Is that possible?

Answer:

Two contracts have been signed to date.

A contract to undertake the evaluation of biodiversity outcomes of regional investment was signed with Griffin NRM Pty Ltd on 29 April 2005. The contract is for \$164,592.00 (including GST).

A contract to undertake the evaluation of invasive species (weeds) outcomes of regional investment was signed with CSIRO Sustainable Ecosystems (Brisbane) on 31 May 2005. The contract is for \$90,265.47 (including GST).

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Natural Resource Management Division

Question: NRM 02

Topic: EMS Pilot Programs

Hansard Page: 84-85

Senator Stephens asked:

Do you anticipate that the people who have been doing the preliminary reviews will do the final review for you?

Mr Thompson—We would anticipate that, similar to other reviews, each person undertaking the pilot would do an assessment of what they learnt, what they achieved, and complete that by way of progress and completion reports. We have a project manager in a firm overseeing and helping us to manage those programs and providing reports on that. That will feed into the process. We have not determined what sort of process we will use to review the outcomes of the program; it may involve an independent look or it may involve using internal resources.

Ms Tomlinson—Halfway through the life of the pilots, there was a review of the program. That was completed at the end of 2004. One of the cross-learning activities that we had was an annual pilot forum that was held in March 2005. Ian Thompson mentioned that we had a list of the MBI pilots; we have a similar list of the EMS pilot programs that we could provide to you.

Answer:

Halfway through the life of the pilots, there was a review of the program. That was completed at the end of 2004. One of the cross-learning activities that we had was an annual pilot forum that was held in March 2005. Ian Thompson mentioned that we had a list of the MBI pilots; we have a similar list of the EMS pilot programs that we could provide to you.

Answer:

Please find attached a copy of the MBI and EMS pilot programs.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Natural Resource Management Division

The National Market Based Instruments Pilots Program

ID	Recommended Pilot	Budget	Lead organisation	NAP region
8	New Land Management Practices through Conservation Insurance	\$100,000	Department of Water, Land and Biodiversity Conservation, SA	Lower Murray SA
10	Cap and Trade for Salinity: Property Rights and Private Abatement, a Laboratory Experiment Market	\$133,000	Department of Natural Resources and Environment, Victoria	Lower Murray SA
16	Green Offsets for Sustainable Regional Development	\$400,000	NSW Environment Protection Authority	Murray; Macquarie- Castlereagh; Namoi-Gwydir NSW
18	Establishing East-west Landscape Corridors in the Southern Desert Uplands	\$100,000	Desert Uplands Build-up and Development Committee	Fitzroy-Burdekin QLD
20	Multiple-outcome auction of landuse change	\$636,000	Department of Natural Resources and Environment, Victoria	Goulburn-Broken VIC
21	Auction for Landscape Recovery, Southwest Australia	\$495,000	World Wildlife Fund for Nature, Australia	Avon WA
26	Catchment Care – Developing an auction process for biodiversity gains and water quality outcomes	\$185,000	Onkaparinga Catchment Water Management Board	Mt Lofty- Kangaroo Island – Northern Agricultural District SA
33	Tradeable Net Recharge Contracts in the Colleambally Irrigation Area	\$344,649	CSIRO Sustainable Ecosystems	Lachlan- Murrumbidgee NSW

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Natural Resource Management Division

ID	Recommended Pilot	Budget	Lead organisation	NAP region
46	Farming Finance: Creating Positive Landuse Change with an NRM Leverage Fund	\$1,530,000	Greening Australia	South Coast; Lachlan- Murrumbidgee WA, NSW
53	Establishing the Potential for Offset Trading in the Lower Fitzroy River	\$120,000	Central Queensland University	Fitzroy-Burdekin QLD
57	Recharge Credit Trade	\$360,000	CSIRO Land and Water	Avoca-Loddon- Campaspe VIC

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Natural Resource Management Division

Environmental Management Systems Pilots Program

Recommended Pilot	Recommended Funding (GST exclusive)	Proponent Organisation	Industry	State
The Mount Lofty Ranges Watershed EMS Project	\$481,000	Apple & Pear Growers Association of South Australia	Horticulture - Apple, Pear, Cherry, Grapes	SA
Australian Land Management Systems EMS Pilot Trial	\$331,100	Australian Landcare Management Systems	Dryland mixed grazing and cropping, Sheep, cattle, pigs, poultry, viticulture	SA VIC
Blackwood EMS Pilot - "Combining profitability and sustainability"	\$251,000	Blackwood Basin Group	Canola, Wheat, cattle, barley, wool, sheep, lupin and oats	WA
Innovation and Integration: EMS in the central Australian pastoral industry	\$312,065	Centralian Land Management Association Inc	Arid-Pastoral	NT
The development and assessment of the Cotton BMP Program into a comprehensive EMS through the development of a Land and Water Module	\$602,250	Cotton Australia	Field Crops - Cotton	NSW QLD
On-Farm EMS and Environmental Labelling in the Pastoral Industries	\$578,453	Department of Primary Industries, Queensland	Pastoral - Beef and Fibre	Qld
Gippsland Beef and Lamb EMS	\$301,860	Gippsland Natural Pty Ltd	Pastoral - Beef and Lamb	VIC
Building Brand King Island - an EMS pilot project	\$448,624	King Island Natural Resource Management Group Inc	Pastoral - Beef and Dairy	TAS
Widespread adoption, ensuring practical application and testing the benefits of EMS in broad acre farming	\$298,240	Mingenew-Irwin Group	Field Crops	WA
Murray Environmental Management Systems Group	\$414,960	Murray (Berrigan Shire Council)	Field Crops - Grain	NSW

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Natural Resource Management Division

Recommended Pilot	Recommended Funding (GST exclusive)	Proponent Organisation	Industry	State
Linking on-farm EMS with catchment targets, a farmer-catchment-government partnership in Victoria	\$489,600	North Central Catchment Management Authority	General Broad acre Farming - cropping and cattle	VIC
Developing dairy farmer and processor partnerships for EMS implementation	\$379,704	NSW Agriculture	Dairy	NSW QLD VIC
Rice Environmental Champions Program - an innovative mechanism for change	\$960,285	Ricegrowers' Association of Australia	Field Crops - Rice	NSW QLD
Seafood EMS Framework	\$655,186	Seafood Services Australia	Fisheries and Aquaculture	National
Bega Cheese Dairy Farmers' EMS Pilot Program (BEMS)	\$367,500	The Bega Cooperative Society	Dairy	NSW
ALMS / VCMA Collaborative Venture	\$400,000	Australian Landcare Management Systems in conjunction with North Central Catchment Management Authority	Cross-cutting	VIC, SA, NSW, QLD

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 01

Topic: Accounts: National Cattle Disease Eradication

Hansard Page: 100

Senator O'Brien asked:

I want to refer you to page 22 of this year's PBS and page 30 of last year's PBS. In last year's document, under the heading 'Output 3', there is a reference to the National Cattle Disease Eradication Trust Account of 1991. There was an estimated expense of \$606,000 for 2003-04 and \$604,000 for the current financial year, but in this year's PBS that number is just \$3,000 and there is nothing for next year. Can you explain what has happened to change the numbers so dramatically? ...

Answer:

Estimates included under the Special Appropriation line item for the *National Cattle Disease Eradication Trust Account Act 1991* in the Portfolio Budget Statement (PBS) 2004-05 included an estimate for \$600,000 for the payment of an interest-equivalent earned on the balance of the National Cattle Disease Eradication Special Account. This interest amount was transferred from the Special Appropriation to be included as part of the *Bill 1/3 Appropriation Act*. This took place as part of the Additional Estimates process in 2004-05.

Reporting of this \$600,000 for the *National Cattle Disease Eradication Trust Account of 1991* is identified in PBS 2005-06 on page 20 against Administered Programmes, Table 2.5: Estimates of administered expenses from appropriation bill (no.1).

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 02

Topic: National Biosecurity Strategy

Hansard Page: 102

Senator O'Brien asked:

Can you give me the consultancy details—name, price et cetera?

Mr McCutcheon—Yes. Mr Roger Smith, former head of the Northern Territory Department of Primary Industries.

Senator O'BRIEN—What fee will he be paid?

Mr McCutcheon—I do not have those details here.

Senator O'BRIEN—Do you know if it is a fixed fee or an hourly charge?

Mr McCutcheon—No, I do not know that.

Senator O'BRIEN—If you can get us that information, I would appreciate it.

Answer:

The Consultancy Agreement with Mr Roger Smith provides for a per diem of \$1,100 per day (including GST) not to exceed \$55,000 in total and for reimbursement of costs incurred while undertaking the consultancy.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 03

Topic: Management of exotic diseases expenditure

Hansard Page: 106

Senator O'Brien asked:

Dr Biddle—The Australian Veterinary Reserve has initiated its recruitment of some 100 members, its planned size. The initial pilot training course was held last year and there is presently a redesign process, a bit of engineering around the initial pilot training course, to inform the content of the planned remaining training courses for about 80 officers that have still to be trained. The program is close to commencing the remaining training activity, which is planned to be completed over approximately the next 12 months, subject of course to a variety of factors. That is the game plan.

Senator O'BRIEN—How much has been spent on this in the current financial year?

Mr McCutcheon—We will have to take that question on notice, Senator. We do not have the precise figures of expenditure to date.

Senator O'BRIEN—You are achieving the target number of participants?

Answer:

The Australian Veterinary Reserve programme is delivered by Animal Health Australia. A total of \$189,445.42 has been expended on the pilot induction course for the financial year 2004-05.

The target number of participants has been achieved. Animal Health Australia has been advised on the details of the 100 participants.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 04

Topic: F&MD outbreak human resource capacity

Hansard Page: 112

Senator O'Brien asked:

No. Animal Health Australia is conducting a project to define what normal commitment is for each jurisdiction during an emergency. It would look at what their core responsibilities were and would also do an analysis of their respective sizes, their resource bases and their emergency animal disease risks. Animal Health Australia is also developing performance standards to describe the expected capacities of those jurisdictions. That is one of those works in progress by Animal Health Australia.

Senator O'BRIEN—Any expected time line for finalisation of the work?

Mr McCutcheon—I am sure there is a time line. I do not have that information.

Senator O'BRIEN—Can you get that for us?

Answer:

National Animal Health Performance Standards have been developed by Animal Health Australia for jurisdictions and livestock industries. They are revised on a regular basis.

Version 2 of the Performance Standards was completed in 2003. A review of jurisdictional and compliance against the standards was undertaken in the same year and identified some areas where performance and capabilities could be improved. The assessments also identified opportunities to improve the Performance Standards and the assessment process. A pilot study undertaken in New South Wales and South Australia during the last quarter of 2004 and the first quarter of 2005 demonstrated the value of applying a risk-based approach to the assessment of performance against the Standards.

Version 3 of the Performance Standards is currently under development and is scheduled to be submitted to the Animal Health Committee in July 2005 for endorsement by Primary Industries Standing Committee in October 2005 prior to being used as the basis for a second, risk-based assessment of performance by livestock industries and jurisdictions in 2006.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 05

Topic: Eradication program

Hansard Page: 117

Senator O'Brien asked:

Yes. Perhaps on notice, can you give us an update on what is exactly happening with the eradication programs for branched broom rape, grapevine leaf rust and exotic fruit flies?

Answer:

Three different external reviews by weed experts have confirmed that the branched broomrape eradication programme is on track and making significant progress in decreasing the number of new infestations and that the response programme should be continued. 91 % of the known infested paddocks had no detections of branched broomrape. Branched broomrape has not been detected outside the original quarantine area in the Murray Bridge area of South Australia. The long term survivability of branched broomrape seeds in the soil may require the extension of some response activities up to 2012. Progress of the programme is assessed annually through the Australian Weeds Committee.

The grapevine leaf rust programme is entering its fourth year of operation. External operational and scientific reviews have determined that the programme is making significant progress towards eradication with a potential target of June 2006 to declare eradication. The disease is restricted to the Darwin area. 39,007 properties have been surveyed in the Darwin area with 746 vines on 522 properties. 209 vines were infected with grapevine rust and destroyed. In the period October 2004 to June 2005, there have only been two vines found with grapevine leaf rust. An intensive sampling and vine removal and pruning programme will be conducted in 2005 that will result in a host-free period which will strongly aid the eradication process. Current projections suggest the June 2006 eradication timeline is achievable.

The Torres Strait fruit fly programme is a long term containment programme to prevent the potential incursion of fruit flies exotic to the Australian mainland from Papua New Guinea through the Torres Strait islands. The programme involves cooperative work between the Australian Quarantine and Inspection Service (AQIS) and the Queensland Department of Primary Industries and Fisheries which includes regular trapping and treatment of fruit flies in the Torres Strait islands. The programme has been operating as a national cost shared programme since 1996 with an annual budget of up to \$200,000.

The programme is reviewed annually by an external technical advisory panel which has determined that the programme is technically and operationally effective in preventing annual incursions of key fruit fly species such as melon fly and papaya fruit fly from establishing on mainland Australia.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 06

Topic: Food Chain Assurance Advisory Group

Hansard Page: 117

Senator O'Brien asked:

There are no payments to industry involved at this stage?

Answer:

The activities of the Department of Agriculture, Fisheries and Forestry involving the Food Chain Assurance Group, relating to critical infrastructure activities do not involve making payments to industry bodies.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 07

Topic: International convention for chemicals

Hansard Page: 3

Senator O'Brien asked:

Yes, at this point we are. The money that we have allocated under this program for those activities relates initially, to the communication of what those obligations are to relevant stakeholders in the Australian community and, secondly, to putting in place a database which enables us to maintain that information and provide appropriate reports to international organisations.

Senator O'BRIEN—So how often do we report to the international organisations?

Mr McCutcheon—I would have to take that question on notice.

Senator O'BRIEN—Would those reports be published? Perhaps you could tell us that as well.

Answer:

There are different reporting requirements under the Stockholm and Rotterdam Conventions.

Under the Stockholm Convention, the following processes apply:

- a. A National Implementation Plan (NIP) needs to be provided to the Convention Secretariat within two years of the Convention entering into force for a party. For Australia, this means that our NIP needs to be submitted by 18 August 2006. Following any amendments to the chemicals that are listed for elimination or restriction, each party has two years to update their NIP and provide it to the Secretariat.
- b. Each party is required to report to the Secretariat regarding their trade and disposal of chemicals that are listed for elimination or restriction. There is also a requirement for the report to include information on unintentionally produced persistent organic pollutants. The first of these reports is due on 31 December 2006, and then another is due every four years thereafter.
- c. If Australia were to request an extension on our current exemption for the use of Mirex, then we would need to provide a report to the Secretariat detailing our need for a continued exemption.

All of these reports will be made publicly available via the Stockholm Convention website (www.pops.int) when they have been submitted.

Under the Rotterdam Convention, there are no annual reporting requirements. However, countries are required to:

- a. notify the Convention Secretariat whenever a final regulatory action has been taken to ban or severely restrict the use of a chemical product. These notifications are made publicly available as part of agenda papers, which are available from the Rotterdam Convention website (www.pic.int);
- b. submit importing country responses to the Secretariat within nine months of the circulation of a decision guidance document. These responses are then included in a circular which is sent to all Parties and made available on the Rotterdam Convention website (www.pic.int); and
- c. notify importing countries when Australia has taken a final regulatory action against a chemical that is not yet listed in the Convention. These notifications are not made public.

Both conventions also encourage the exchange of information amongst parties.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 08

Topic: 2, 4-D

Hansard Page: 8

Senator O'Brien asked:

Do you know what particular products have been applied in the circumstances we have been talking about?

Dr Smith—No, I do not have that particular information.

Senator O'BRIEN—Would the states have it?

Dr Smith—They may have. That is the sort of information we are working with the states to get at the moment. I can check and then provide that detail to you.

Answer:

Trace-back information provided by the States suggests that, where 2,4-D products are involved, they are likely to be certain ester formulations. These are more volatile than other forms of 2,4-D. However, confirmatory analytical evidence is difficult to obtain, at least partly because of the time that elapses between use of the herbicide and the appearance of damage, and the fact that analysis for 2,4-D residues does not distinguish between the different forms.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 09

Topic: MRLs

Hansard Page: 9

Senator O'Brien asked:

Are our MRLs the same as those which exist overseas for the same product?

Dr Smith—Not always. Generally we are fairly well lined up with places—with things like Codex—in other countries—but there are differences. I cannot tell you specifically how they line up on 2,4-D products. I could check that information and provide that to you.

Answer:

A comparison of Australian commodity Maximum Residue Limits (MRL's) with those of Codex, United States of America and the European Union is contained in the attached table.

2,4-D MRL COMPARISONS

SUBSTANCE	CROP GROUP	COMMODITY	Australian MRL (ppm)	Aust. Notes	Codex MRL (ppm)	Codex notes	USA MRL (ppm)	USA notes	EU MRL (ppm)
2,4-D	BERRIES AND SMALL FRUIT	Table Grapes	0.05		0.1		0.5		0.05
2,4-D	BERRIES AND SMALL FRUIT	Wine Grapes	0.05		0.1		0.5		0.05
2,4-D	CEREALS	Barley	0.2				0.5		0.05
2,4-D	CEREALS	Buckwheat	0.2				0.1	N	0.05
2,4-D	CEREALS	Cereals others	0.2				0.1	N	0.05
2,4-D	CEREALS	Maize	0.2		0.05		20		0.05
2,4-D	CEREALS	Millet	0.2				0.5		0.05
2,4-D	CEREALS	Oats	0.2				0.5		0.05
2,4-D	CEREALS	Rice	0.2				0.1		0.05
2,4-D	CEREALS	Rye	0.2		2		0.5		0.05
2,4-D	CEREALS	Sorghum	0.2		0.01*		0.5		0.05
2,4-D	CEREALS	Triticale	0.2				0.1	N	0.05
2,4-D	CEREALS	Wheat	0.2		2		0.5		0.05
2,4-D	CITRUS	Citrus Fruit Others	5		1	Po	5		0.05
2,4-D	CITRUS	Grapefruit	5		1	Po	5		0.05
2,4-D	CITRUS	Lemons	5		1	Po	5		0.05
2,4-D	CITRUS	Limes	5		1	Po	5		0.05

SUBSTANCE	CROP GROUP	COMMODITY	Australian MRL (ppm)	Aust. Notes	Codex MRL (ppm)	Codex notes	USA MRL (ppm)	USA notes	EU MRL (ppm)
2,4-D	CITRUS	Mandarins	5		1	Po	5		0.05
2,4-D	CITRUS	Oranges	5		1	Po	5		0.05
2,4-D	CITRUS	Pomelo	5		1	Po	5		0.05
2,4-D	DAIRY	Milk	0.05*		0.01		0.1		0.01
2,4-D	EDIBLE OFFAL	Cattle kidney	2				2		1
2,4-D	EDIBLE OFFAL	Cattle, except kidney	2				0.2		0.05
2,4-D	EDIBLE OFFAL	Goat kidney	2		5		2		1
2,4-D	EDIBLE OFFAL	Goat, except kidney	2		5		0.2		0.05
2,4-D	EDIBLE OFFAL	Horse kidney	2		5		2		1
2,4-D	EDIBLE OFFAL	Horse, except kidney	2		5		0.2		0.05
2,4-D	EDIBLE OFFAL	Mammalian edible offal, Other	2		5				0.05
2,4-D	EDIBLE OFFAL	Pig kidney	2		5		2		1
2,4-D	EDIBLE OFFAL	Pig, except kidney	2		5		0.2		0.05
2,4-D	EDIBLE OFFAL	Poultry , edible offal	0.05*		0.05*		0.05		0.05
2,4-D	EDIBLE OFFAL	Sheep kidney	2		5		2		1
2,4-D	EDIBLE OFFAL	Sheep, except kidney	2		5		0.2		0.05
2,4-D	EGG	Eggs	0.05*		0.01*		0.05	0.05	0.01
2,4-D	LEGUME VEGETABLES (FRESH)	Beans (with pods)	0.05*				0.1	N	0.05
2,4-D	LEGUME VEGETABLES (FRESH)	Beans (without pods)	0.05*				0.1	N	0.05

SUBSTANCE	CROP GROUP	COMMODITY	Australian MRL (ppm)	Aust. Notes	Codex MRL (ppm)	Codex notes	USA MRL (ppm)	USA notes	EU MRL (ppm)
2,4-D	LEGUME VEGETABLES (FRESH)	Legume vegetables fresh others	0.05	*			0.1	N	0.05
2,4-D	LEGUME VEGETABLES (FRESH)	Peas	0.05	*			0.1	N	0.05
2,4-D	MEAT	Bovine /cattle	0.2				0.2		0.05
2,4-D	MEAT	Horse	0.2		0.2		0.2		0.05
2,4-D	MEAT	Sheep or goats	0.2		0.2		0.2		0.05
2,4-D	MEAT	Swine /pork	0.2		0.2		0.2		0.05
2,4-D	OILSEED	Oilseed	0.05	*					
2,4-D	POME FRUIT	Pears	0.05	*	0.01	*	5		0.05
2,4-D	PULSES	Beans	0.05	*					0.05
2,4-D	PULSES	Lentils	0.05	*					0.05
2,4-D	PULSES	Peas	0.05	*					0.05
2,4-D	PULSES	Pulses others	0.05	*					0.05
2,4-D	PULSES	Soya bean (dry)	0.05	*			0.02		0.05
2,4-D	ROOT AND TUBER VEGETABLES	Potatoes	0.1		0.2		0.2		0.05
2,4-D	SUGAR CANE	Sugar cane	5		0.05		2		

Key: ppm MRL is expressed as mg/kg or parts per million of the commodity weight
* MRL at the limit of quantification
N Negligible MRL arising from the use of 2,4-d in various situations in the USA
Po Post-harvest

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry
Product Integrity, Animal and Plant Health Division

Question: PIAPH 10

Topic: Atrazine and Simazine Chemicals

Hansard Page: 71

Senator Brown asked:

I have no dispute with that, but I am surprised to hear that you say it is not a matter for you to be involved in or interested in seeking answers about. That is what I would have thought would be a reasonable response.

Mr Quinlivan—I have offered to get whatever information we can on this matter from the APVMA, and if there is anything additional that can be added to the conversation that we had earlier today, we will be happy to get that for you.

Senator BROWN—What action has been generated by your department on the matter of these chemicals to date?

Answer:

The Australian Pesticide and Veterinary Medicines Authority (APVMA) is the authority responsible for the regulation of agricultural and veterinary chemicals up to the point of retail sale; beyond that the states and territory governments have responsibility for control of use.

Atrazine (and related products) have been registered for use in Australia and in countries such as the USA, for many years. APVMA actions in relation to atrazine were discussed earlier with this committee – refer to Rural and Regional Affairs and Transport draft Hansard, 26 May 2005, pages 10 and 11.

In summary, the APVMA (then the National Registration Authority) commenced a major review of all approvals and registration relating to atrazine in 1995 due to concerns over carcinogenicity in humans and animals, and the contamination of ground and surface waters.

In 1997, the APVMA released a comprehensive report (over 600 pages) of its findings from the review of all data available at that time (Interim Review report) and took a range of actions to address potential risks identified by the review. The regulatory actions included new instructions for use to reduce chemical handling by workers and reduce drift and runoff into water bodies and cancellation of all home garden uses. The report also called for further water monitoring data in forestry situations and residue data for animal feed commodity minimal risk levels.

Assessment of this additional data led to release of the draft final review report for atrazine for a period of public comment in April 2002. Subsequent to the release of the draft report, the APVMA became aware of new studies regarding the effects of atrazine on sexual development in frogs. Finalisation of the review was therefore delayed pending the assessment of the new studies both from the human health perspective and from possible effects on the environment (amphibians). A second draft final report, incorporating assessments of new information pertaining to the potential for carcinogenicity and endocrine disruption was released for public comment in December 2004. The APVMA and its advisory agencies are currently assessing the public submissions and expect to finalise the report in 2005.

Full copies of the APVMA's reports and associated actions are on the APVMA website at <http://www.apvma.gov.au/chemrev/chemrev.shtml>

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Rural Policy and Innovation Division

Question: RPI 01

Topic: Drought & EC [Drought Declared Areas]

Hansard Page: 30

Senator O'Brien asked:

Do you have a figure for drought declared, including but not exclusively EC?

Answer:

Queensland and New South Wales are the only two states with a systematic drought declaration process. On 10 June 2005, Henry Palaszczuk MP, Queensland Minister for Primary Industries and Fisheries, announced that more than 60 percent of Queensland's land area was drought declared. On 8 June 2005, the Hon Bob Carr MP, Premier of New South Wales, announced that 91 per cent of New South Wales was officially drought declared. Information on the impact of drought for the remainder of Australia is not readily accessible as not all state and territory governments drought declare and report this information.

Question: RPI 02

Topic: Dairy Industry Reform Act [Dairy Act Compliance Report]

Hansard Page: 36

Senator O'Brien asked:

When did the minister first seek information about this matter?

Mr Pearson—I will have to take that on notice. I cannot recall. There has been an iterative process. As the annual report and other information have been coming in, the minister has been trying to reassure himself that compliance has been made by Dairy Australia.

Senator O'BRIEN—I would appreciate if you would let me know the details of the process: when the department first contacted the minister about the matter, when the minister first contacted the department about the matter and what requests he made.

Answer:

The Department of Agriculture, Fisheries and Forestry has been working with the industry-owned companies, including Dairy Australia (DA), since May 2004 to strengthen the accountability framework under the funding agreements following the release of the Australian Wool Innovation Senate Inquiry Report. As part of this work, the Department has been in consultation with DA and government agencies on the requirements of the Dairy Act Compliance Report from October 2004. The Minister's Office was advised of this work in mid-November 2004.

The Minister sought specific advice from the Department in February 2005 on the form of the Report and the scope of its requirements - the Dairy Act Compliance Report for 2003-04 will be the first under the operations of DA.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Rural Policy and Innovation Division

Question: RPI 03

**Topic: EC declarations [Uptake rate of Exceptional Circumstances
Interest Rate Subsidies]**

Hansard Page: 36-37

Senator O'Brien asked:

On average, what is it?

Mr Koval—At the moment it is just over 13 per cent of farmers within EC declared areas.

Senator O'BRIEN—So you will be able to get us on notice the number that was used to calculate that figure?

Mr Koval—I can do that.

Senator O'BRIEN—And you will be able to get us the number that has been used to calculate the current figure in the PBS for next year?

Answer:

The figure of \$248.2m was based on a total estimated number of 21,582 producers within Exceptional Circumstances declared areas receiving Exceptional Circumstances Interest Rate Subsidies.

The number used to calculate the current figure in the 2005-06 Portfolio Budget Statement, \$131.9m, was based on a total estimated number of 23,269 producers within Exceptional Circumstances declared areas receiving Exceptional Circumstances Interest Rate Subsidies.

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE
BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE
Department of Agriculture, Fisheries and Forestry
Rural Policy and Innovation Division

Question: RPI 04

Topic: AAA Package for rural finance counselling

(Rural Financial Counselling Service Program Funding Indexation)

Hansard Page: 37

Senator O'Brien asked:

In nominal terms it is a slight increase. In real terms, if the increase is less than the projected rate of inflation, it is a reduction, isn't it?

Mr Williamson—I am not sure. The numbers are as they are in the PBS.

Senator O'BRIEN—You said they are indexed. What are they indexed against?

Answer:

The Rural Financial Counselling Service Program is indexed against the Wage Cost Index 3 (WCI3). The variation of \$0.013 million between 2004-05 and the 2005-06 Estimates as stated in the 2005-06 Portfolio Budget Statement is consistent with the movement in WCI3 for the March 2005 adjustment.

BUDGET ESTIMATES, 25, 26 MAY 2005 - ANSWERS TO QUESTIONS ON NOTICE

Department of Agriculture, Fisheries and Forestry

Rural Policy and Innovation Division

Question: RPI 05

Topic: 1994 Rural Partnership Program

Hansard Page: p40

Senator O'Brien asked:

On notice, can you give us more detail about this? I would like to know why there was a view that no milestones would be met and suddenly \$3.8 million worth of milestones has popped up in these projects.

Answer:

At the time of preparation of the estimates included in the PBS it was not clear (in March 2005) what final amount would be payable under the programme and from where funds would be transferred in order to make these payments.

The required transfers for funding of payments due under the program were finalised in late April 2005, to provide funding of the likely payments of approximately \$1.9 million from ADP and \$1.9 million from FarmBis (totalling \$3.8 million).

The Rural Partnerships Program started in 1994 with funding of the first RPP project, the South West Queensland Strategy. The aim of the Program is to achieve long-term change and to encourage profitable and self-reliant rural sectors. There were 12 individual RPP projects across all States (except Tasmania) and the Territories.

The Rural Partnership Program is a partnership between governments and community and has therefore been subject to delays in implementation dependant on community and regional capacity. The Program is demand driven and in some instances delivery has been impacted by drought conditions. In all instances the Australian Government has attempted to accommodate communities and regions, to ensure that the longer term outcomes of the projects are met. This flexibility has meant that the timing of payments has varied, particularly given the length of the various projects.

The current RPP projects are:

West 2000 Plus, which is achieving positive results by helping landholders in the western division of NSW improve their economic performance, their business and management skills and, where possible, develop alternative industries. This is occurring through the project measures such as Training and Skills Development, Development of Alternative Industries, Natural Resource Sustainability, Better Managing the Natural Resource Base, Rural Re-structuring and Managing of WEST 2000 Plus. Project achievements include: two Young Farmer Forums have been run successfully with over 100 attendees at the meetings and over 58 farmers attending other workshops, 300 people involved in activities designed to address long term planning issues, 1,628 training grants have been awarded, 87 grants have been made to pastoralists to implement new industries, and 65,000 hectares of land are being managed under an enterprise-based conservation project.

Desert Uplands, which is aimed at sustaining profitable production systems based on sustainable economic and environmental development. It provides lease rental subsidies and interest rate subsidies to farmers for productivity improvements such as increasing property size, improving water, pasture and vegetation management and implementing best practice sustainable property management. Project achievements include: 48 landholders have received interest rate subsidies and 104 land titles have been amalgamated into 68 saleable titles (increasing the size of farms in the region).

MIA (Riverina), which specifically targeted citrus growers for the first year of the Program, at the request of the community committee, in recognition of the adjustment and business planning needs in this sector. As at 31 March 2005, 242 business plans had been implemented, with 92 applicants obtaining redevelopment grants. The redevelopment grants have been used for replanting grape and citrus crops, broadacre, diversifying into avocado, prunes and other stone fruits, as well as innovation and new technology. One thousand one hundred and nineteen hectares are scheduled for redevelopment in the region under these grants.

Gascoyne Murchison, which promoted better business management in the region and has contributed to over half of the pastoral businesses putting business plans into place. The Program has administered productivity grants and voluntary lease adjustments, assisted the development of regionally based alternative enterprises, and improved access to finance for the region.

Kickstart Sunraysia, which focussed on farmers in the Victorian and New South Wales Sunraysia region, who owned a farm enterprise with between 8 and 25 hectares of permanent horticultural crop. It has achieved an increase in on-farm business planning, increased the uptake of more efficient irrigation technologies and promoted sustainable farming practices through training programs offered under the Program.

The table attached indicates the actual and currently estimated payments for the remaining projects under the Rural Partnership Program.

REGIONAL ASSISTANCE PROGRAMMES

Rural Partnership Programme - Payments made by Australian Government for the remaining projects and estimates for future years

Project	Estimated Total											
	Commonwealth Commitment	1997-98 Actuals	1998-99 Actuals	1999-00 Actuals	2000-01 Actuals	2001-02 Actuals	2002-03 Actuals	2003-04 Actuals	2004-05 Estimates *	2005-06 Estimates*	2006-07 Estimates*	2007-08 Estimates*
								-	-			
West 2000 Plus	5,912,500				200,000	833,120	365,675	897,361	3,043,730	307,200	232,100	33,314
Desert Uplands	2,000,000		75,000	196,578	224,167	350,485	265,805	381,184	456,749	50,000		
MIA (Riverina)	2,500,000	48,800		-	37,661	287,730	422,838	1,067,588	345,000			
Gascoyne Murchison	5,417,000		400,000	621,157	1,000,000	1,161,711	1,014,127	1,186,174	20,397			
Kickstart Sunraysia	6,974,400		4,364,500	1,339,800	775,800	214,000	7,000		7,038			
Totals		48,800	4,839,500	2,157,535	2,237,628	2,847,046	2,075,445	3,532,307	3,872,914	357,200	232,100	33,314

* Estimates based on latest available figures (as of 13 June 2005)

Question: RPI 06

Topic: South Australian Government's drought relief contribution

Hansard Page: 41

Senator Ferris asked:

The Australian Government has committed more than \$1 billion in drought funding to farmers since 2003-03. In total, this is four times the amount of funding announced by all state governments. In the current drought, more than 46,000 applications for income support grants, EC relief payments and interest rate subsidies have been approved. Total Australian government expenditure to date for drought measures amounts to \$676 million. For this drought, though, a special Premier's package of up to \$5 million was announced in October 2002 for rural counselling support, additional FarmBis support, individual business and community grants, but no real money went directly to farmers. In fact, of the total, South Australia has spent only \$2.3 million. Can you advise the committee: how much real money has the South Australian government contributed to drought funding during 2003-04; how this would compare with other states?

Answer:

The Department of Agriculture, Fisheries and Forestry does not hold this information. State and territory government drought expenditure figures should be obtained from the relevant state or territory government to ensure the accuracy of this information.

Question: RPI 07

**Topic: South Australian drought: NRAC Recommendations for
rejected applications**

Hansard Page: 42

Senator Ferris asked:

Can you explain to me why the other two [Mallee 1 and Mallee 2 applications] were not accepted?

It is my recollection that some of the reasoning in the applications related to specific events on specific days—whether it was frost, wind or particularly bad climatic conditions—which dramatically affected the crop but which may not in the wider context have met the conditions for a successful application. Is that your recollection?

Answer:

The Southern Mallee Number 1 and Southern Mallee Number 2 Exceptional Circumstances (EC) applications, received from the South Australian Government, were essentially the same application and neither could demonstrate a case for EC assistance against the EC criteria.

On 4 December 2002, the South Australian Government lodged the Southern Mallee Number 1 EC application for producers who were experiencing financial difficulties as a result of frost damage in 2000 and 2001, and who also lost crops due to the drought in 2002. This application established a *prima facie* case for EC on 15 December 2002. The National Rural Advisory Council (NRAC) conducted a full EC assessment including visiting the area on 18 December 2002. NRAC found that a rare and severe event resulting in a prolonged downturn in income had not been demonstrated on a significant regional scale. The application was rejected by the Minister for Agriculture, Fisheries and Forestry (the Minister) on 5 February 2003.

On 14 May 2003, the South Australian Government lodged the Southern Mallee Number 2 application. On 29 June 2003, it was rejected for *prima facie* assistance. The Drought Taskforce located in the Department of Agriculture, Fisheries and Forestry, advised the Minister that this application was essentially the same application as the Southern Mallee Number 1 and was not able to demonstrate a *prima facie* case for EC against the EC criteria.

Question: RPI 08

Topic: South Australian drought: role of South Australian Farmers Federation

Hansard Page: 42

Senator Ferris asked:

When you are looking at the records that go back a couple of years, can you see whether you are able to comment on the role played by the South Australian Farmers Federation in those applications?

Answer:

The South Australian Farmers Federation (SAFF) was a member of the Mallee Community Reference Group that assisted the Department of Primary Industries and Resources South Australia in the development of the Southern Mallee Numbers 1 and 2 Exceptional Circumstances applications.

SAFF were also involved in discussions with the National Rural Advisory Council members during their assessment visit to the Southern Mallee Number 1 application area on 18 December 2002.