

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

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2007

**Agriculture, Fisheries and Forestry**

**Question no:** FA 01

**Division/Agency:** Food and Agriculture

**Topic:** Wine Exports

**Hansard page:** 76 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—Does the department have a view on what the impact is likely to be on the exports of wine?

**Mr Robinson**—I do not have figures with me; I know there are estimates from the Australian Wine and Brandy Corporation or from ABARE, and we could take that on notice and get the estimates for you.

**Senator McEWEN**—That would be good.

**Answer:**

The following figures for wine exports were reported by ABARE in the June 2007 edition of Australian Commodities.

Wine Exports

	2004-05	2005-06	2006-07(s)	2007-08 (f)
Volume (mL)	661	736	877	824
Value (\$m)	2,750	2,799	3,257	3,450

s ABARE estimate

f ABARE forecast

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 02

**Division/Agency:** Food and Agriculture

**Topic:** Wine Grape Harvest in the Murray Darling Basin

**Hansard page:** 76 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—Do you have any information about that?

**Mr Mortimer**—No, it is not possible to get a complete picture. The ABARE report that Mr Robinson referenced is probably the best resource to draw on and we can certainly get that to you. My memory is that it estimates that there will be a 33 per cent reduction for 2007; that has more or less happened. The next season will depend on what happens from spring onwards, as the growing season for grapes, the fruiting season, comes into play.

**Answer:**

Attached is the ABARE report *Australian Wine Grape Production – projections to 2008-09*.

**[FA 02 attachment]**

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 03

**Division/Agency:** Food and Agriculture

**Topic:** Wine Industry Cluster

**Hansard page:** 77 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—When did you provide the advice to the minister?

**Mr Robinson**—I would need to check; I believe it was this year, earlier in the year.

**Answer:**

The Department provided written advice to the former Minister for Agriculture, Fisheries and Forestry on the Wine Industry Cluster proposal during February 2007.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 04

**Division/Agency:** Food and Agriculture

**Topic:** KPMG report on evaluation of the National Food Industry Strategy

**Hansard page:** 83 (23/5/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**—When will the report be published?

**Mr Mortimer**—That is a matter for the government to determine.

**Senator O'BRIEN**—They have had the report now for weeks.

**Mr Mortimer**—Yes. We are happy to take that on notice, if you wish.

**Senator O'BRIEN**—Yes, if you would.

**Answer:**

A copy of the report **will be provided** to the Committee when it is released.

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Agriculture, Fisheries and Forestry

**Question no:** FA 05/06

**Division/Agency:** Food and Agriculture

**Topic:** Complaints on the Horticulture Code of Conduct

**Hansard page:** 86-89 (23/05/07)

**Senator O'Brien asked:**

**Mr Robinson**—We have received complaints. I could not tell you how many but, yes, we have received complaints, both of pressure to backdate arrangements and pressure to sign arrangements that growers think are not consistent with the code.

**Senator O'BRIEN**—Have they continued since the code came into effect?

**Mr Robinson**—Yes.

**Senator O'BRIEN**—Is there any way of ascertaining the number?

**Mr Robinson**—We could check our files et cetera and try to provide an estimate.

**Senator O'BRIEN**—That is why I asked you, because I have heard of Brisbane. But I was wondering if there were other areas where concern was coming through in a significant way.

**Mr Robinson**—In a very general sense I would say that I think the department has probably had more complaints from Brisbane and Melbourne.

**Dr O'Connell**—I would be happy to take that on notice rather than give a vague response. In doing that, we could make an assessment on whether or not there is anything in the information which would allow the identification of specific cases.

**Answer:**

The Department has received a total of 47 written complaints from 14 December 2006, when the code was registered in the Federal Register of Legislative Instruments, to 6 July 2007.

QLD	NSW	NT	WA	ACT	Vic	SA	Tas	Total
23	9	6	4	2	1	1	1	47

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**Agriculture, Fisheries and Forestry**

**Question no. FA 07**

**Division/Agency:** Food and Agriculture

**Topic:** KPMG report on evaluation of the National Food Industry Strategy

**Hansard page:** 91 (23-24/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—Is the KPMG report available?

**Mr Mortimer**—It is a budget document at this stage. I think we would have to take that on notice.

**Senator McEWEN**—Is there any reason it would not be available?

**Mr Mortimer**—I am not completely au fait with the budget rules. I know that these reviews that are done of lapsing programs are treated as budget documentation because they accompany all the budget papers. Whether that status can change after the event I will need to get advice on

**Answer:**

A copy of the report **will be provided** to the Committee when it is released.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 08

**Division/Agency:** Food and Agriculture

**Topic:** KPMG report on evaluation of the National Food Industry Strategy

**Hansard page:** 91 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—If we cannot get hold of that, where are we going to find out whether those were met?

**Mr Mortimer**—I think we have to take it on notice and see what reporting we could potentially provide to you. It depends what level you want, whether you want the reporting on the outcomes of the funded projects or something more.

**Senator McEWEN**—We would certainly want the outcomes of the funded projects. Obviously a substantial amount of money has been committed; it would be nice to know what was the justification for committing this additional funding.

**Answer:**

A copy of the report **will be provided** to the Committee when it is released.

While the report has not been released, it is possible to advise that the overall performance indicators for the three programmes which received further funding in the 2007-08 Budget (Technical Market Access, Food Innovation Grants and International Food Standards) were met or were on track.

Furthermore, in assessing appropriateness of the NFIS, stakeholders expressed a continuing and escalating need for continuation of support for innovation and ensuring that domestic and international technical standards and regulation do not act as barriers to market operations and international market access.

The review found that there was some room for improvement in the operation of the National Food Industry Council. However, industry stakeholders expressed a clear need for a Government-industry leadership body to consider issues of strategic importance to the food industry.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 09

**Division/Agency:** Food and Agriculture

**Topic:** Geographical Indications Committee

**Hansard page:** 93 (23/5/07)

**Senator McEwen asked:**

**Mr Robinson**—Yes, I believe that is correct.

**Senator McEWEN**—It operates under the Australian Wine and Brandy Corporation Act 1980?

**Mr Robinson**—Yes.

**Senator McEWEN**—On the basis that it is an independent arm of the corporation?

**Mr Robinson**—I would need to confirm that.

**Answer:**

The Geographical Indications Committee is a statutory committee, established under the *Australian Wine and Brandy Corporation Act 1980*.



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**Agriculture, Fisheries and Forestry**

**Question no:** FA 10

**Division/Agency:** Food and Agriculture

**Topic:** Geographical Indications Committee

**Hansard page:** 93 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—The decisions that the committee makes can have a significant impact on the different wine regions in Australia. How do you ensure that there is some distance between the committee and the Wine and Brandy Corporation?

**Mr Mortimer**—That is a fair comment. In terms of broad governance, the corporation, if it is to make any decision, obviously needs statutory authority to enforce anything. The question to be tested, and what we probably have to come back to, is the exact composition of that council and what process is put in place by AWBC to establish it and to ensure that it is truly independent and at arm's-length in coming to decisions which potentially could commercially impact on wine growers, which I think is the issue you are raising.

**Senator McEWEN**—Can you provide further and better particulars?

**Mr Mortimer**—Yes, I will come back to you on that.

**Answer:**

The Geographical Indications Committee (the Committee) is a statutory committee established under the *Australian Wine and Brandy Corporation Act 1980* (the Act). The powers of the Committee and the processes it must use for determining a geographical indication are prescribed in Division 4 of Part VIB of the Act.

Part 5 of the *Australian Wine and Brandy Corporation Regulations 1981* (the Regulations) describe the criteria that the Committee is to have regard to in making a determination of a geographic indication. Section 40T of the Act requires the Committee to have regard to these criteria.

The Schedule to the Act prescribes the administrative provisions relating to the Committee. The Schedule prescribes that the Committee consists of three members, a Presiding Member appointed by the Chairman of the Australian Wine and Brandy Corporation and two other members appointed by the Chairman, but on the nomination of the Winemakers' Federation of Australia and Winegrape Growers of Australia respectively.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 11

**Division/Agency:** Food and Agriculture

**Topic:** Geographical Indications Committee

**Hansard page:** 93 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—Is there some brief or charter for the committee?

**Mr Robinson**—There would be. Again, it is a question probably best directed to AWBC. We could take it on notice and ask them.

**Dr O'Connell**—We will provide the information to you on notice, if we can. We could certainly do that.

**Senator McEWEN**—The sorts of things I am interested in are what requirements there are on the Geographical Indications Committee to consider the views of all interested parties, and what kind of material they take into account when they make their decisions.

**Answer:**

Section 40S of the *Australian Wine and Brandy Corporation Act 1980* (the Act) prescribes that the Geographical Indications Committee (the Committee) must consult with any declared winemakers organisation and any declared wine grape growers organisation when determining a geographical indication, and may consult any organisations or persons it thinks appropriate.

Section 40U of the Act prescribes that a determination of a geographical indication by the Committee is to be an interim determination in the first place. Section 40V of the Act requires that the Presiding Member of the Committee must publish this interim determination and invite persons to make written submissions to the Committee in relation to the determination.

Section 40RA of the Act provides an opportunity for trade mark holders to object to the determination of a geographical indication.

Part 5 of the *Australian Wine and Brandy Corporation Regulations 1981* (the Regulations) describe the criteria that the Committee is to have regard to in making a determination of a geographic indication. Section 40T of the Act requires the Committee to have regard to these criteria.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 12

**Division/Agency:** Food and Agriculture

**Topic:** Geographical Indications Committee

**Hansard page:** 93-94 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—Can you update the committee on the process for the establishment of geographical indications for wine in the Penola and the Coonawarra areas? Mr Mortimer—I would have to take that on notice..... Mr Robinson—I was aware that that example is controversial, but we would have to take on notice exactly what AWBC are doing in regard to the issue.

**Mr Mortimer**—For example, AWBC may well have unfettered power to make a decision and that is that. We will need to get you an answer on that.

**Answer:**

The process for the establishment of geographical indications (GIs) for wine is prescribed in Division 4 of Part VIB the *Australian Wine and Brandy Corporation Act 1980*. This process was applicable to the Coonawarra determination and is currently in progress in regard to Penola.

The Geographical Indications Committee (the Committee) published an interim determination for Coonawarra in April 1997. Following receipt of a number of submissions, a second interim determination was published in February 1999. The Committee published its final determination in May 2000.

The final determination for Coonawarra was appealed in the Administrative Appeals Tribunal (Coonawarra Penola Wine Industry Association Inc v Geographical Indications Committee [2001]) and subsequently in the Federal Court of Australia (Berringer Blass Wine Estates Limited v GIC [2002]). Both decisions changed the boundaries of the Coonawarra GI.

The Coonawarra GI was finalised on 6 January 2003 when the name was entered in the Registrar of Protected Names.

The Committee published an interim determination for Penola on 10 May 2000 in conjunction with the Coonawarra final determination. The Penola GI was initiated by the Committee to cover the area of land west and south of its Coonawarra final determination.

As a result of the appeals to the Administrative Appeals Tribunal and the Federal Court of Australia, approximately 25 per cent of the area of the proposed Penola GI, including the township of Penola, was included within the Coonawarra GI.

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The Coonawarra / Penola Wine Industries Association want the Committee to proceed with the Penola GI comprising that area of land within the Penola interim determination which was not included within the Coonawarra GI. However, the Coonawarra Grapegrowers Association and the Coonawarra Vignerons Association have submitted an objection, given the potential for confusion arising from the inclusion of the township of Penola within the Coonawarra GI.

The Committee is currently considering this issue.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 13

**Division/Agency:** Food and Agriculture

**Topic:** Geographical Indications Committee

**Hansard page:** 94 (23/5/07)

**Senator McEwen asked:**

**Senator McEWEN**—You do not know whether the corporation's decisions are appealable to the AAT?

**Mr Mortimer**—No, I would have to check on that.

**Mr Robinson**—I believe they have provisions to review decisions and they are covered—

**Senator McEWEN**—The corporation has provisions?

**Mr Robinson**—The corporation does, and they are covered by the Ombudsman. Complainants, if they believe they have not been dealt with in due process, could take the issue to the Ombudsman.

**Senator McEWEN**—You will advise the committee on that issue?

**Mr Robinson**—Yes.

**Answer:**

Section 40Y of the *Australian Wine and Brandy Corporation Act 1980* (the Act) provides that an application may be made to the Administrative Appeals Tribunal for review of a final determination.

Complainants of any determination made by the Geographical Indications Committee may also take their concerns to the Commonwealth Ombudsman whose role is to consider and investigate complaints about Australian Government departments and agencies.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 14

**Division/Agency:** Food and Agriculture

**Topic:** Australian HomeGrown

**Hansard page:** 98 (23/05/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**—Did Australian Agribusiness Group receive payments for services to Australian HomeGrown?

**Mr Mortimer**—I would have to take that on notice. I really cannot remember the details of it. We have had this discussion earlier and the way I remember it was that there was a contract between the department and Australian HomeGrown to do a number of things to develop the Australian HomeGrown branding concept, which include surveys and communications. I would have to refresh my memory as to whether it was done by the group that you referenced.

**Senator O'BRIEN**—I am told that it is a significant sum of money. Perhaps on notice you can tell us what payments were made, when, and what services were provided for those payments.

**Answer:**

The Department is aware that Australian Agribusiness Group (AAG) provided a range of services to AHG, particularly management and administration services, for which it would have been paid. The Department was not privy to the funding arrangements in place between AHG and AAG, including the amount and timing of payments.

**Revised answer provided 18/02/2008:**

Australian Government funding for the Australian HomeGrown initiative was provided directly to Australian HomeGrown Limited (AHG).

The Department is aware that Australian Agribusiness Group (AAG) provided a range of services to AHG, particularly management and administration services, for which it was paid by AHG. The Department was not aware of the details of these payments.

According to the AHG voluntary administrator's report of 10 May 2006, \$312,350 was paid by AHG to AAG for services.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 15

**Division/Agency:** Food and Agriculture

**Topic:** Australian HomeGrown

**Hansard page:** 98 (23/05/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**— Do you know if the business participated in a tender process?

**Mr Mortimer**—I would have to take that on notice. I do not know off the top of my head. To put it another way, the contract with Australian HomeGrown specified certain outcomes to be met, which included sign-on from companies to use the schema, the logo sign-on from supermarkets to be participants and, because those milestones were not met, the department did not continue the funding for the initiative. But the nuts and bolts of it were essentially something that Australian HomeGrown did. It was operating under a contract from the department. It had to meet key outcomes and milestones. Who it employed to actually deliver those outcomes was the company's choice and decision.

**Answer:**

Arrangements for engaging service providers were a matter for the directors of Australian HomeGrown Limited (AHG).

**Revised answer provided 18/02/2008:**

The Department only had contractual arrangements with Australian HomeGrown Limited (AHG). The Department is not aware of how AHG decided on arrangements for engaging service providers. Such decisions were a matter for the directors of AHG.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 16

**Division/Agency:** Food and Agriculture

**Topic:** Australian HomeGrown

**Hansard page:** 99 (23/05/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**—Was the Australian government the first creditor?

**Mr Mortimer**—Let me take that on notice. I am not sure what you mean by 'creditor' there, in the sense that the Commonwealth had a series of contracts which put the money out to the company in tranches and the Commonwealth only paid the money and extended the contracts when there was evidence that progress was being made. When it was clear that progress was not being made, the Commonwealth ceased making the payments. Whether the Commonwealth is a creditor or not, I would like to check on that and come back to you.

**Answer:**

No.



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**Agriculture, Fisheries and Forestry**

**Question no:** FA 17

**Division/Agency:** Food and Agriculture

**Topic:** Australian HomeGrown

**Hansard page:** 99 (23/05/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**—I am told that Australian HomeGrown recently sold its intellectual property. Do you know how much it received for that?

**Mr Mortimer**—I think I am aware, but I really cannot remember, I am sorry. I will take it on notice, if you like.

**Answer:**

No.

**Revised answer provided 18/02/2008:**

No. The Department is not aware of the amount for which the intellectual property of Australian HomeGrown was sold. The disposal of company assets was the responsibility of the liquidator who advises that the sale amount is commercial-in-confidence.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 18

**Division/Agency:** Food and Agriculture

**Topic:** Australian HomeGrown

**Hansard page:** 99 (23/05/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**—Are any of the former directors of Australian HomeGrown part of the Australian Made Campaign Ltd?

**Mr Mortimer**—I do not think so. I will take it on notice, if you like. The Australian Made Campaign is, again, a separate industry operated initiative. It is best if we check on that to make sure there is no cross-over that I am not aware of.

**Dr O'Connell**—The Australian Made Campaign Ltd, the people you were talking about last, are the not for-profit organisation that administers the Australian Made triangle logo so I suspect they are completely different. But we will confirm that.

**Answer:**

No.

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**Question no:** FA 19

**Division/Agency:** Food and Agriculture

**Topic:** New Industries Development Programme (NIDP)

**Hansard page:** 17 (24/5/07)

**Senator O'Brien asked:**

**Senator O'BRIEN**—The New Industries Development Program received \$2.6 million in 2005-06. It fell to \$1.7 million in 2006-07 and it is then proposed to rise back to \$2.5 million in 2007-08. That is a dip in the funding. Why is that?

**Mr Thompson**—I am not able to answer that question because we do not administer the New Industries Development Program in rural policy. It is administered in the food and agriculture division. Unless someone else here has some information about it, we will have to take that question on notice.

**Dr Samson**—We will take that question on notice.

**Answer:**

As a result of a series of rephasings through the Additional Estimates process, \$2.6 million was reduced to \$1.7 million in 2006-07.

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**Agriculture, Fisheries and Forestry**

**Question no:** FA 20

**Division/Agency:** Food and Agriculture

**Topic:** Bee Pollination

**Hansard page:** 103 (24/5/07)

**Senator Hogg asked:**

**Senator HOGG**—That would mainly cover people who are seeking to make a living out of the industry. What about those who are amateurs? I am looking at a wide range of people who may well have an interest here. They might not be members of the peak industry association. They may well need to go and have a source of reliable assessment. As you said, there is probably a fair deal of misinformation floating around as much as there is good information so where do they go?

**Mr McCutcheon**—I am not sure whether depollination companies, for example, have some sort of national or umbrella organisation. That is a question we could take on notice, and we could look at other industry sectors. Again, I would be surprised if some of the specialised horticultural sectors—the almond industry, for example—have not at least been doing some thinking about this and trying to gather a bit more information about the potential impact on their industry of the sudden decline in bee populations.

**Answer:**

The Department is not aware of a national or umbrella organisation in this specific area. In regards to the general issue we note that bee industry issues are currently being considered by the House of Representatives Agriculture, Fisheries and Forestry Committee.