

Senate Standing Committee on Rural and Regional Affairs and Transport

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2008

Agriculture, Fisheries and Forestry

Question: FA 01

Division/Agency: Food and Agriculture

Topic: Sugar Package

Hansard Page: 16 (26/05/08)

Senator Scullion asked:

Senator SCULLION—What programs would be affected by that saving in the Sugar Industry Reform Package? Perhaps I can get somebody who is coming in later on to provide an answer to that question on notice.

Mr Pahl—Sure.

Answer:

The estimated underspend is \$19.7 million due to grant recipients not completing or meeting milestone obligations under the Regional and Community Projects component of the package.

Funds appropriated for the sugar package are for the use of the sugar package only and do not affect other programs.

No other program will be affected by the underspend of the Sugar Industry Reform Program.

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Question: FA 02

Division/Agency: Food and Agriculture

Topic: Industry Expert Group Final Report

Hansard Page: 117 (26/05/2008)

Senator Adams asked:

Senator ADAMS—This question is probably to the department. It is a question on the Wheat Industry Expert Group. I would like to know if the final report from this group has been finalised. They had a discussion paper out. I have not heard any more about what has happened.

Mr Mortimer—The Wheat Industry Expert Group reported their findings. I understand it is on the departmental website, so we can certainly get you a copy of that.

Answer:

The Industry Expert Group Final Report was published on the Department's website on 16 May 2008. A copy of the report has been **attached** for your information.

[FA 02 attachment]

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Question: FA03

Division/Agency: Food and Agriculture

Topic: Forest Plantation Expansion

Hansard Page: 24-25 (27/05/2008)

Senator Milne asked:

Senator MILNE—On this issue of food security, I welcome the fact that there are interdepartmental discussions happening. I note the secretary's statement that the aim of the exercise is to increase productivity. How many hectares have been taken out of food production as a result of the managed investment schemes for forestry?

Mr Mortimer—We will have to take that on notice. In all honesty, I am not sure that there has been any measurement of that done. Possibly the best way that it could be measured would be by the obverse calculation; namely, the amount of land put into production under managed investment schemes. But then there is an issue as to whether that went into forest, which might not be considered agriculture, as opposed to other products. A lot of funding from managed investment schemes goes into things like almonds and other products. If you like, we will take that on notice and see what we can find.

Senator MILNE—It is particularly important because there are perverse measures that are counterproductive to increasing productivity. As you would be aware, I am talking specifically about managed investment schemes that give incentives to take land out of food production and into pulp production, essentially. I would like to know how many hectares have been taken out. I would also like to know whether there has been any discussion in this interdepartmental committee about managed investment schemes undermining the objective of increased productivity. Has there been any discussion of that?

Answer:

The Bureau of Rural Sciences estimates that over the past ten years (1998-07) a total of about 770,000 hectares of new plantations were reported planted, including plantations on former cleared farmland and on former native forest sites. The net increase on cleared farmland after allowing for sites that were not replanted after harvest, loss due to drought, fire or other causes, periodic re-measurement and other factors is estimated to be about 531,600 hectares.

An estimated 80% of new plantings over the last five years were financed by managed investment schemes.

The vast majority of the increase on cleared farmland is on more marginal grazing areas, including grazing for wool production, rather than high production grazing or cropping areas.

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The total area of land under primary production (livestock grazing, dryland and irrigated agriculture and forestry) in Australia is 485 million hectares or just over 63% of total land area. The increase therefore represents a very small proportion of the area of agricultural land.

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Question: FA04

Division/Agency: Food and Agriculture

Topic: Forest Plantation Expansion

Hansard Page: 25 (27/05/08)

Senator Milne asked:

Senator MILNE—Is anyone in the Department of Agriculture, Fisheries and Forestry looking at the issue of the impact on these schemes in terms of them taking food producing land out of food production? I am talking about forestry, not almonds and olives and things, obviously.

Mr Burns—At one stage, we were looking at that issue. But I have not got the details. We will take that one on notice.

Answer:

The Department of Agriculture Fisheries and Forestry is not undertaking any specific research into the impact of plantation forestry expansion on food production.

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Question: FA 05

Division/Agency: Food and Agriculture

Topic: Forest Plantation Expansion

Hansard Page: 25 and 91 (27/05/08)

Senator Milne asked:

Senator MILNE—I will give you notice now: I want to know how many hectares have been taken out of food production for plantations and how many hectares you project will be taken out by the incentive to the energy companies to plant more plantations. And I want that cross-referenced to the water ramifications.

.....

Senator MILNE—Earlier today we were having a discussion about agricultural land taken out of food production for forestry plantations through MIS schemes and other incentives and so on. Does ABARE have any statistics on this and do you differentiate land in this way?

Mr Glyde—That might be a question best directed to the Bureau of Resource Sciences, I suspect, in respect of areas of land and land use change. They are on the agenda after us.

Senator MILNE—Do you not have statistics on land use change in that way?

Plantations may not be seen as a land use change because they are both crops.

Mr Glyde—We produce forests and wood statistics, and the BRS also produces a *State of the Forests* report. Perhaps between the two of us we might need to figure out whether or not we can actually answer that question.

Senator MILNE—My interest is in a state-by-state analysis of how much land has gone out of crops for food production into crops for plantation production. The state-by-state analysis basically in the last 10 years would be quite interesting to look at.

Answer:

Plantations established on farmland, 1998-2007

	Total reported new plantation ¹ (hectares)	Net plantation increase on farmland ² (hectares)
New South Wales	75 000	75 000
Northern Territory	23 500	700
Queensland	62 300	46 100
South Australia	63 300	62 700
Tasmania ³	148 800	28 300
Victoria	171 500	137 000
Western Australia	225 300	181 800
Australia	769 600	531 600

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Notes

1. The "new" plantation area figures are as reported each year by plantation owners and managers, including plantations established for sawlog and/or pulpwood production.
2. Net increase allows for land that is not replanted after harvest, loss due to drought, fire or other causes, periodic re-measurement and other factors. The farmland on which plantations were established is nearly all grazing land, including land grazed by sheep for wool production.
3. The net increase figure for Tasmania was derived by Private Forests Tasmania and is for 1995 to 2006; this is the most reliable data on areas planted on previously cleared land, rather than on previously forested land. All other data were derived from the National Plantation Inventory, Bureau of Rural Sciences.

Please also see responses to FA 03 and FA 04.

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PGI Ombudsman statistics: Sept 2006 to May 2008

Mediation Applications Received: Respondent/Identity Complained

	ACT	NSW	NT	QLD	SA	VIC	WA	TOTAL
Agent	0	0	0	0	0	0	0	0
Grower	0	0	0	0	0	0	0	0
Packer/Packing House	0	1	0	0	0	0	0	1
Processor	0	0	0	0	0	0	0	0
Retailer	0	0	0	0	0	0	0	0
Wholesaler	0	4	0	0	0	1	0	5
Undisclosed	0	0	0	0	0	0	0	0
TOTAL	0	5	0	0	0	1	0	6

Dispute Enquiries Received: Respondent/Identity Complained

	ACT	NSW	NT	QLD	SA	VIC	WA	TOTAL
Agent	0	2	1	4	3	7	0	17
Grower	0	0	0	0	0	0	0	0
Packer/Packing House	0	2	0	1	0	0	0	3
Processor	0	1	0	1	0	1	0	3
Retailer	0	1	0	1	0	0	0	2
Wholesaler	0	9	0	13	1	9	0	32
Undisclosed	0	3	0	9	1	5	0	18
TOTAL	0	18	1	29	5	22	0	75

NOTE: 15 of the above 75 enquiries did not relate to a specific dispute and were therefore referred to either the department, ACCC or to a Lawyer to address particular questions raised.

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Question: FA07

Division/Agency: Food and Agriculture

Topic: Sugar Package

Hansard Page: 57 (27/05/08)

Senator I.Macdonald asked:

Senator IAN MACDONALD—As against the forward estimates last year, how much was spent on that package in the current financial year as opposed to what was anticipated?

Mr Mortimer—You are talking about the sugar package as a totality?

Senator IAN MACDONALD—Yes. I should have looked at this myself.

Mr Mortimer—No, I will find the right piece of paper which hopefully should give me the answers. I do not seem to have the actual dollar numbers by project with me. I will take that on notice if you like.

Answer:

The Sugar Industry Reform Program 2004 appropriation for 2007-08 financial year is \$51.4 million.

A re-phasing of \$3.605 million revised the budget to \$54.008 at additional estimates.

The Department of Agriculture Fisheries and Forestry estimates that approximately \$34 million will be spent in 2007-08, leaving an underspend of \$19.7 million. The shortfall is due to grantees not meeting or completing milestone obligations and several projects that grantees did not commence.

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Question: FA 08

Division/Agency: Food and Agriculture

Topic: New Industries Development Program

Hansard Page: 109 (27/05/2008)

Senator Siewert asked:

Senator SIEWERT—Thank you. I would like to ask about the funding program for the development of new industries, which I understand now has been cut, or that program has been wound now into the package under climate change of \$130 million, if I understand it correctly. There were projects that were still being funded under that program, so what happens to those projects?

.....

Senator SIEWERT—I want to make sure that the projects that were being funded were able to be finished and were not just cut.

Answer:

The New Industries Development Program has been terminated. It is not part of the \$130 million Australia's Farming Futures program. All existing contracts under the New Industries Development Program will be honoured and provision has been made to do this.

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Question: FA 09

Division/Agency: Food and Agriculture

Topic: Support for wool growers

Hansard Page: Written question

Senator Scullion asked:

What has been the total government investment since 2004 in fast tracking the development of effective alternatives to mulesing?

Answer:

Under the Statutory Funding Agreement between Australian Wool Innovation (AWI) and the Commonwealth, AWI receives grower levy payments (currently set at two per cent of the sale value of greasy wool) and matching Australian Government funding for eligible research and development expenditure. Government matching funding is not tied to particular projects. AWI makes decisions on the allocation of funds available to it.

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Question: FA10

Division/Agency: Food and Agriculture

Topic: Support for wool growers

Hansard Page: Written question

Senator Scullion asked:

What is the break down of this funding in dollar amount, year and purpose?

Answer:

See FA 09.

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Question: FA 11

Division/Agency: Food and Agriculture

Topic: Regional Food Producers Innovation and Productivity Program

Hansard Page: Written question

Senator Scullion asked:

Is the new \$35 million Regional Food Producers Innovation and Productivity Program funded as part of the \$130 million Australia's Farming Future initiative?

Answer:

No.