

**Rural and Regional Affairs and Transport Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Budget Estimates May 2012  
**Agriculture, Fisheries and Forestry**

**Question:** 94

**Division/Agency:** Climate Change Division

**Topic:** Carbon farming

**Proof Hansard page:** 58 (22/05/2012)

**Senator NASH asked:**

**Senator NASH:** I have two quick questions. How do you prove it is additional and not something that has happened before?

**Ms Gaglia:** That is a practice, not the emissions. There is an assessment process going forward on the practice itself to work out the practices; 'methodologies' is looking at the kind of data that we require to install it.

**Senator NASH:** Could you take it on notice to provide that information for me?

**Ms Gaglia:** Absolutely.

**Answer:**

Additionality is an integrity principle in all offset schemes including the Carbon Farming Initiative (CFI). The principle ensures greenhouse gas emissions avoidance or carbon sequestration projects achieve abatement that would not have otherwise occurred. The CFI ensures additionality by excluding activities required by law or regulation and that are common practice within a region or industry.

The Australian Government has commissioned the Australian Bureau of Statistics to design and undertake a biennial land management practice survey to provide data necessary for the common practice assessments being carried out by the Australian Bureau of Agricultural Resource Economics and Sciences.

The Department of Climate Change and Energy Efficiency maintains a 'positive list' of CFI activities approved as additional and manages the process for assessing positive list proposals, which includes public consultation and seeking technical advice. Anybody can propose an activity for assessment and inclusion on the positive list. Guidelines on proposing activities for the positive list are available at [www.climatechange.gov.au/cfi](http://www.climatechange.gov.au/cfi)

The Minister for Climate Change and Energy Efficiency will recommend activities be added to the positive list following advice from by the Domestic Offsets Integrity Committee.

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**Question: 95**

**Division/Agency:** Climate Change Division

**Topic:** Soil sequestration

**Proof Hansard page:** 61 (22/05/2012)

**Senator MILNE asked:**

**Senator MILNE:** Before we leave soil carbon—I want to go to forests in a moment—has the department calculated what 60 per cent of a five per cent reduction in emissions would mean in terms of volume of soil carbon to be permanently sequestered?

**Ms Gaglia:** I do not think we have done any calculations like that, Senator.

**Senator MILNE:** Would you take it on notice, then? Given everything that has been said and the acknowledgment by scientists that soil carbon is not a silver bullet in terms of reducing greenhouse gas emissions in the landscape, it is an important consideration for people to think about. Equally, agriculture is not part of emissions trading and will not be for quite some time; so this is going to be a contested area for a very long time. Would you not agree that some of the other methodologies being developed are likely to deliver faster and more secure returns for people in rural and regional Australia than soil carbon?

**Answer:**

Through the Climate Change Research Program, the Australian Government is funding research to better understand the potential of Australian soils to sequester carbon. Research into soil carbon sequestration will continue through the Carbon Farming Futures' Filling the Research Gap and Action on the Ground programs.

Farmers are increasingly aware of the potential role of soil carbon in farm production and participation in carbon trading systems through soil carbon activities.

More generally, farmers and land managers are also increasingly aware of potential economic opportunities under the Carbon Farming Initiative (CFI). There are already approved activities that can generate additional income. As more methodologies are developed and approved, the number and variety of opportunities available will increase and farmers and land managers can take up opportunities that suit their individual circumstances. Advances in soil carbon research, including research being funded by the Australian Government, will contribute to the development of CFI methodologies and the increase in opportunities to participate in the CFI.

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**Question: 96**

**Division/Agency:** Climate Change Division

**Topic:** Public consultation for Western Australian Regional Forest Agreement review

**Proof Hansard page:** 66 (22/05/2012)

**Senator RHIANNON asked:**

**Senator RHIANNON:** Public consultation is expected to start when?

**Mr Aldred:** I would expect it is still going to take us two or three months to get a public consultation document. I just need to check the status of WA.

**Senator RHIANNON:** Thank you. Perhaps you could take that on notice. I am particularly interested in the time line. You mentioned public consultation with regard to Western Australia but not any of the other states. Is there a different process?

**Answer:**

The public consultation period of 60 days for the Western Australian Regional Forest Agreement (RFA) review report will follow the release of the review report. The timing will be dependent on the signing of a new Scoping Agreement for the Western Australian RFA review.

The timeline for an RFA review generally adheres to the following steps:

- The Australian Government and the State Government jointly develop the RFA review report on progress with implementation of the RFA's milestones and/or commitments and obligations in the final year of the five year period;
- A public consultation period of 60 days provides for public comment on the RFA review report;
- An Independent Reviewer is appointed to review the public comments and the RFA review report and provide a report to both governments with recommendations on implementation of the RFA within two months following the close of the public consultation period; and
- The Australian Government and the State Government develop a Joint Response report to comment and/or provide actions on any recommendations from the Independent Reviewer's report.

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**Question:** 97

**Division/Agency:** Climate Change Division

**Topic:** Public consultation for regional forestry agreements in WA

**Proof Hansard page:** 66 (22/05/2012)

**Senator RHIANNON asked:**

**Senator RHIANNON:** Why is it being delayed? Why is Western Australia so much behind the other states?

**Mr Aldred:** I would need to take that on notice.

**Answer:**

The progress of the five-yearly reviews of the Western Australian Regional Forest Agreement (RFA) has been impacted by changes in Western Australian forest management, such as the introduction of the *Protecting Our Old-Growth Forests Policy* and the establishment of Forest Management Plans in Western Australia.

The Department of Agriculture, Fisheries and Forestry (DAFF) and the Western Australian department responsible for the administration of the RFA are working to develop a scoping agreement for a combined five and ten-year review which will set out the timelines for delivery. The departments expect to have this agreed by the respective governments in 2012.

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**Question: 98**

**Division/Agency:** Climate Change Division

**Topic:** Arrangements for business assistance payment

**Proof Hansard page:** 69 (22/05/2012)

**Senator EDWARDS asked:**

**Senator EDWARDS:** Have those set-up costs been abandoned now? They are lost; it is all finished; the program is finished. Are they sitting there waiting for another day or is all of that just lost?

**Mr Aldred:** I cannot give you the absolute details. With the set-up for those sorts of things, the experience and so on is not lost but—

**Dr O'Connell:** We could take on notice whether or not DHS has capitalised that, if you like, into its business.

**Answer:**

The Income Recovery Subsidy program closed to applications on 5 September 2011. Program delivery by the Department of Human Services has been finalised.

The experience and systems established will benefit future one-off programs of a similar nature by the Department of Human Services.

Delivery of the Income Recovery Subsidy was a direct appropriation to the Department of Human Services.

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**Question: 99**

**Division/Agency:** Climate Change Division

**Topic:** Role of Department of Human Services in administration of business assistance payment

**Proof Hansard page:** 70 (22/05/2012)

**Senator EDWARDS asked:**

**Senator EDWARDS:** You seem to misunderstand. My issue is getting \$68 000 delivered for a cost of \$1.22 million. I do not diminish why you did it; I do not have an issue with that. I just think that you would go out of business very quickly—and I understand that the government is not a business—and you would not sustain yourselves very well. You paid \$3.47 million to Human Services to oversee this project and the total expenses are \$16.07 million. Perhaps what you could do for me on notice is to provide what \$1.22 million buys you from Human Services. Could you detail that for me—just the administration costs.

**Senator Ludwig:** Again, with all due respect, you have missed the point that there will be a set-up cost. We had to pay the set-up cost and we did not know at that stage how long the suspension was going to run. Roughly, with industry, I guess, the background noise was that there were many people out there that were unemployed and unable to access Newstart. You cannot do a straw poll. You have to make an assessment that, yes, that type of assistance is required. Once you do that, there are set-up costs. You may find that over time it is not taken up, which is probably a good thing, quite frankly.

**Senator EDWARDS:** I do not argue that.

**Senator Ludwig:** There were no alternatives.

**Senator EDWARDS:** I assume that Human Services sent you an invoice for \$1.22 million and you would have paid that, obviously. I just want to see what the invoice contained and what services were delivered.

**Senator Ludwig:** I am happy to provide that information.

**Answer:**

The Department of Human Services has advised that the components of the \$1.223 million costs to administer the Income Recovery Subsidy program included:

<b>Item</b>	<b>Departmental Costing \$m</b>
Direct Remuneration	0.9
On-Costs/Overheads	0.2
Policy/Program Specific Costs	0.1
<b>Total Departmental Costs</b>	<b>1.2</b>

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**Question: 99** (continued)

There is no exchange of invoice in the appropriation process. Costings are appropriated through an agreement between the Department of Human Services and the Department of Finance and Deregulation. The Department of Agriculture, Fisheries and Forestry is not involved with this process.

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**Question:** 102

**Division/Agency:** Climate Change Division

**Topic:** Regional forest agreements

**Proof Hansard page:** 71 (22/05/2012)

**Senator COLBECK asked:**

**Senator COLBECK:** I want to quickly go back to the RFAs for a moment, Mr Aldred, and effectively put a couple of facts about RFAs on the record. The total area covered by the RFAs in Australia is somewhere around 21 million hectares—is that about right?

**Mr Aldred:** I would need to take it on notice. I have not got the figure off the top of my head.

**Senator COLBECK:** Of that 21 million, about 9.8 million are available for logging and the rest is reserved under the RFAs?

**Mr Aldred:** Those proportions sound right. I would need to give you the specific details.

**Answer:**

The total land area of the ten Regional Forestry Agreements (RFA) regions is approximately 39.21 million hectares.

The public land area within these ten RFA regions, at the time of signing, was 16.1 million hectares.

Following the signing of the tenth RFA and considering only public land, the total area of the Comprehensive Adequate and Representative Reserve System was 10.75 million hectares and the production estate area in public native forests within the RFA regions was estimated at 5.36 million hectares. These figures do not take into account any subsequent changes undertaken by state governments following the signing of the RFAs.



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**Question:** 108

**Division/Agency:** Climate Change Division

**Topic:** Forest and Wood Products Australia research and development investment plan

**Proof Hansard page:** 91 (22/05/2012)

**Senator RHIANNON asked:**

**Senator RHIANNON:** Do you have a list of the climate change projects that you are suggesting could be invested in?

**Mr Sinclair:** No, but our R&D investment plan is published on our website.

**Senator RHIANNON:** I did not find it on your website, so could you take that on notice to provide it to me?

**Mr Sinclair:** Yes, certainly.

**Answer:**

A copy of the Forest and Wood Products Australia Investment Plan for Climate Change and Commercial Forestry is available online at:

[www.fwpa.com.au/sites/default/files/FWPA\\_Investment\\_Plan%20\\_Climate\\_Change.pdf](http://www.fwpa.com.au/sites/default/files/FWPA_Investment_Plan%20_Climate_Change.pdf).

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**Question:** 109

**Division/Agency:** Climate Change Division

**Topic:** Details of meetings between Forest and Wood Products Australia and Australian Government

**Proof Hansard page:** 93 (22/05/2012)

**Senator RHIANNON asked:**

**Senator RHIANNON:** Can you take on notice if you are able to supply, which I hope you can, details of those twice-yearly meetings that you have with the government and what issues you discuss?

**Mr Sinclair:** I assume that is more with the department. They take the minutes of the meetings.

**Senator RHIANNON:** Minister, could you take that on notice?

**Senator Ludwig:** We will, yes.

**Answer:**

The Australian Government and Forest and Wood Products Australia (FWPA) meet twice a year to discuss FWPA's performance of its functions, FWPA's performance in meeting research and development priorities, and other such matters as required. In the past year meetings have occurred on 21 July 2011, 16 December 2011 and 21 June 2012. These meetings included discussions of:

- FWPA Strategic Plans and Annual Operating Plans
- FWPA Research and Development Investment Plans
- Renegotiation of the Statutory Funding Agreement
- Overviews of FWPA activities
- Outcomes of parliamentary inquiries of interest to FWPA
- Outcomes of ministerial council meetings of interest to FWPA

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**Question:** 220

**Division:** Climate Change Division

**Topic:** Program funding

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. Is contracting for all projects under the following programs complete?
  - Filling the Research Gap Program
  - Action on the Ground Program
  - Biochar Capacity Building Program
  - Biodiversity Fund
2. Have all of the funds been allocated?
3. If not, how much money, by program, is unallocated and why?
4. What will happen to any unallocated funds?

**Answer:**

Funding under the Filling the Research Gap and Action on the Ground programs will be allocated through multiple funding rounds over the six-year life of these programs. All of the funds available for the 2011–12 and 2012–13 financial years have been allocated and all required contracting is scheduled to be completed by 30 June 2012.

All funding under the Biochar Capacity Building Program has been allocated and contracting is scheduled to be completed by 30 June 2012.

The Department of Sustainability, Environment, Water, Population and Communities (SEWPAC) is responsible for administering the Biodiversity Fund. Questions relating to the fund should be directed to SEWPAC.

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**Question: 222**

**Division/Agency:** Climate Change Division

**Topic:** Carbon Farming Future: Filling the Research Gap Ministerial statement

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. What is the budget for the "surveys of common practice" referred to in the budget Ministerial statement?
2. How is this work being undertaken – through site visits, on-line surveys, discussion with industry organisations etc?
3. What are the expected returns to farming businesses through the “multiple income streams”?

**Answer:**

1. Under the \$201 million Filling the Research Gap Program, \$30.5 million has been allocated to the Australian Bureau of Statistics (ABS) over six years to conduct biennial surveys of land and management practices across different regions and industries. These surveys will be used to inform common practice additionality assessments under the Carbon Farming Initiative (CFI).
2. The ABS will administer all surveys with a combination of hard copy and electronic forms.
3. Measures under the Clean Energy Future Plan’s Land Sector Package will assist farmers to diversify their income streams by facilitating participation in the CFI. The return to each approved project under the CFI will vary depending on the circumstances of each. For example, with projects that capture and flare methane from manure, farmers can obtain CFI credits for the emissions reduction and can also choose to reduce energy costs by using the gas to generate electricity or heat.

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**Question: 223**

**Division/Agency:** Climate Change Division

**Topic:** Farm Exit Grants

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. Does the Transitional Farm Family Payment Program allow for training activities?
2. Some Rural Financial Counselling Service (RFCS) organisations are experiencing an increase in demand since the cessation of drought programs. What analysis of demand is being undertaken by the government?

**Answer:**

1. The Transitional Farm Family Payment allows for training activities to be identified in a recipient's action plan, developed in consultation with a Rural Financial Counsellor. These activities can be self funded or funded under other Commonwealth, state or other training programs.
2. The Department of Agriculture, Fisheries and Forestry monitors client levels through the Rural Financial Counselling Service (RFCS) Program's Australian Rural Counselling (ARC) database. This information includes numbers of clients serviced, types of services provided, hours spent with clients and travel hours, all of which can vary with the size of the service, the area covered, industry types, climatic conditions, and available government, industry and professional assistance.

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**Question:** 224

**Division/Agency:** Climate Change Division

**Topic:** Forestry industry

**Proof Hansard page:** Written

**Senator COLBECK asked:**

Provide detail of budget initiatives that specifically target and support the forestry sector.

**Answer:**

Page 23 of the Portfolio Budget Statement provides budget funding that specifically targets and supports the forestry sector. In 2011–12, as part of the Tasmanian Forests Intergovernmental Agreement, the Department of Agriculture, Fisheries and Forestry was allocated \$44.020 million for grants, and \$0.980 million for delivery costs, for voluntary exits from Tasmanian public native forest operations for haulage, harvest and silvicultural contractors.

In 2011–12 and 2012–13, \$10.186 million and \$8.944 million was appropriated to support forestry research and development.

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**Question:** 236

**Division/Agency:** Climate Change Division

**Topic:** Extension and outreach program

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. What are the existing extension networks that this program will build on?
2. The program focuses on “farmers, forest growers and other land managers”. What is meant by the term "forest growers"? Does this include farm forestry, plantations and those involved with regeneration of native forests?

**Answer:**

1. The program will build on existing extension networks that are comprised of extension providers, including private agronomists, farm consultants, natural resource management groups, industry organisations, agribusiness, government extension officers, local community groups and Regional Landcare Facilitators.
2. Forest growers are private or public individuals or organisations that are involved in growing or regenerating natural or plantation forests. Within the Carbon Farming Initiative a forest is defined as an area of trees with a potential height of at least two meters and a crown cover of at least 20 per cent and covering an area greater than 0.2 hectares. Thus, while many farmers may not identify themselves as foresters, forest growers can include farmers who undertake farm forestry activities.

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**Question: 238**

**Division/Agency:** Climate Change Division

**Topic:** Illegal logging projects

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. The expenditure detailed in QON 91, February 2012 amounts to approximately \$0.75 million excluding GST. How much money was set aside for this purpose under the Howard and Rudd Government?
2. If there were unused funds, where have these been allocated?
3. How have the research projects undertaken been used to inform the development of the Illegal Logging Prohibition legislation?
4. Would the reports produced be of value in assisting businesses comply with the legislation as it currently stands?
5. What were the key findings of the final report to inform a Regulation Impact Statement undertaken by The Centre for International Economics?

**Answer:**

1. No specific appropriations were made to the Department of Agriculture, Fisheries and Forestry (DAFF) prior to the 2007 election for the purpose of combating illegal logging. Departmental funding was used for the following consultancy reports in 2005 and 2006:

<b>Output</b>	<b>Title</b>	<b>Cost (incl. GST)</b>
<b>Consultancy report</b>	Overview of Illegal Logging Jakko Poyry. September 2005	<b>\$12 226</b>
<b>Consultancy report</b>	A review of the current practices employed by timber and timber product importers to determine the legality of supply. Timber and Building Materials Association. June 2006.	<b>\$ 30 800</b>
<b>TOTAL</b>		<b>\$43 026</b>



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**Question:** 238 (continued)

\$1 million was appropriated to DAFF in the 2008–09 to identify illegally logged timber and restrict its import into Australia.

The following consultancy reports were funded in 2008.

**Summary of funded activities undertaken from 2008–09 to 2009–10 to support the illegal logging policy**

<b>Output</b>	<b>Title</b>	<b>Cost (incl. GST)</b>
<b>Consultancy report</b>	Review of frameworks relating to timber production and transshipment from overseas countries. URS. Completed January 2008.	<b>\$46 156</b>
<b>Consultancy report</b>	Review of the regulatory frameworks and documentation relating to legality of timber production in Australia. URS. Completed January 2009.	<b>\$25 535</b>
<b>Consultancy report</b>	A generic code of conduct to support procurement of legally logged wood-based forest products. Timber Development Association of NSW (TABMA). Completed December 2009.	<b>\$173 728</b>
<b>Consultancy report</b>	A final report to inform a Regulation Impact Statement for the proposed new policy on illegally logged timber. The Centre for International Economics. Completed January 2010.	<b>\$338 800</b>
<b>Consultancy report</b>	A framework for differentiating legality verification and chain of custody schemes. URS Australia. Completed March 2010.	<b>\$79 332</b>
<b>Consultancy report</b>	Risk assessment framework for assessing the legality of timber and wood products imported into Australia. Poyry Consulting. Completed February 2010.	<b>\$74 000</b>

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<b>Consultancy report</b>	An assessment of compliance costs for small business in the forest and timber industry. Cailum Consulting. Completed March 2010.	<b>\$23 600</b>
<b>Consultancy report</b>	A review of the social costs of illegal logging – Coakes Consulting. Completed June 2010.	<b>\$27 677</b>
<b>Industry illegal logging workshop</b>	travel expenses for an international expert on illegal logging from the UK. Completed June 2007.	<b>\$3 733</b>
<b>TOTAL</b>		<b>\$792 561</b>

2. Unspent money from the \$1 million appropriation was returned to revenue.
3. The research projects were considered in the development of the Regulation Impact Statement that supported the development of the Illegal Logging Prohibition legislation.
4. A number of the reports, such as the reports on reviewing frameworks, developing risk assessment frameworks and a framework for differentiating legality verification and chain of custody schemes, are resources that businesses can access when considering how they will comply with the legislation.
5. The key findings of the final report to inform a Regulation Impact Statement undertaken by The Centre for International Economics are detailed in the executive summary of the full report. The report can be accessed at: [www.daff.gov.au/illegallogging](http://www.daff.gov.au/illegallogging) under the 'Background' tab.

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**Question: 260**

**Division/Agency:** Climate Change Division

**Topic: Regional Forest Agreements**

**Proof Hansard page:** Written

**Senator DI NATALE asked:**

Given that one of the main stated objectives of Regional Forest Agreements is to identify a Comprehensive, Adequate and Representative (CAR) Reserve System and provide for the conservation of those areas, what studies is the department undertaking, or planning to undertake, to determine the adequacy of the CAR reserve system for meeting obligations relating to threatened species in Victoria?

**Answer:**

Regional Forest Agreements (RFAs) seek to strike a reasonable balance between conserving Australia's forest estate and its enduring use for economic production and recreation.

The Australian Government's role is to coordinate a national approach to environmental and industry-development issues. State and Territory Governments have Constitutional responsibility for forest management.

The 20-year agreements try to balance the full range of environmental, social, economic and heritage values that forests can provide for current and future generations.

Scientific Comprehensive Regional Assessments of forest values and uses, and consultation with stakeholders were at the heart of the process. Together, they resulted in a world-class forest conservation reserve system to protect biodiversity, old-growth forests and wilderness, secure access to wood resources and provide certainty for the industry's future.

The Regional Forest Agreements (RFAs) identify a Comprehensive, Adequate and Representative (CAR) Reserve System and provide for the conservation of those areas.

The five-yearly reviews of RFAs cover the commitments made by state governments in relation to threatened species and the CAR Reserve System.

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**Question: 261**

**Division/Agency:** Climate Change Division

**Topic:** Regional Forest Agreements

**Proof Hansard page:** Written

**Senator DI NATALE asked:**

Since the East Gippsland Regional Forest Agreement was signed in 1997 have there been any studies or surveys to determine the conservation values of state forest areas?

**Answer:**

Not by the Department of Agriculture, Fisheries and Forestry.

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**Question: 262**

**Division/Agency:** Climate Change Division

**Topic: Regional Forest Agreements**

**Proof Hansard page:** Written

**Senator DI NATALE asked:**

Please outline the measures that the Department has taken to ensure the adequacy of the CAR reserve system for meeting obligations relating to threatened species in Victoria. Please also outline any steps the Department has taken to ensure that these measures have been taken based on a recent, credible and robust evidence base.

**Answer:**

The establishment of the Comprehensive, Adequate and Representative (CAR) Reserve System, at the time of the establishment of the Victorian Regional Forest Agreements, was based on a comprehensive regional assessment against nationally-agreed JANIS Reserve Criteria. The JANIS Reserve Criteria are available at [www.daff.gov.au/rfa/about/reserve-criteria](http://www.daff.gov.au/rfa/about/reserve-criteria).

Regional Forest Agreements are twenty year agreements and are subject to five yearly reviews on their implementation which are available at [www.daff.gov.au/rfa](http://www.daff.gov.au/rfa).

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**Question: 263**

**Division/Agency:** Climate Change Division

**Topic:** Regional Forest Agreements

**Proof Hansard page:** Written

**Senator DI NATALE asked:**

Has the Victorian state government consulted with the Commonwealth regarding its recent indications that attempts may be made to increase the introduction of logging into declared Special Protection Zones?

**Answer:**

Not with the Department of Agriculture, Fisheries and Forestry

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**Question:** 264

**Division/Agency:** Climate Change Division

**Topic:** Regional Forest Agreements

**Proof Hansard page:** Written

**Senator DI NATALE asked:**

Is the department satisfied that the Victorian state government is meeting its forest management and species protection obligations under the RFAs? If not, what action is being undertaken by the department to ensure these obligations are being met, by all signatories?

**Answer:**

The Australian and Victorian Governments have conducted a combined five-yearly and ten-yearly review of the five Victorian Regional Forest Agreements.

The May 2010 report of the Independent Reviewer's findings in relation to the management of Victoria's State Forests is available at [www.daff.gov.au/rfa/publications/annual-reports/victoria](http://www.daff.gov.au/rfa/publications/annual-reports/victoria).

The joint government response is being finalised at officials level for consideration by the two governments.

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**Question: 290**

**Division/Agency:** Climate Change Division

**Topic:** Farm Exit Grants

**Proof Hansard page:** Written

**Senator MCKENZIE asked:**

1. What specific direction has DAFF provided other departments regarding Act of Grace payments in relation to Farm Exit Grants.
2. How many farmers have been assisted?
3. How many refused assistance?

**Answer:**

1. As at 15 June 2012, the Department of Agriculture, Fisheries and Forestry has provided advice to the Department of Finance and Deregulation on 15 claims for an act of grace payment in relation to the closure of the Exceptional Circumstances Exit Grant.
2. As at 15 June 2012, the Special Minister of State, as the delegate of the Minister for Finance and Deregulation, has approved nine claims for an act of grace payment in relation to the Exceptional Circumstances Exit Grant.
3. As at 15 June 2012, the Special Minister of State, as the delegate of the Minister for Finance and Deregulation, has not refused any claims for an act of grace payment in relation to the closure of the Exceptional Circumstances Exit Grant.



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**Question:** 296

**Division/Agency:** Climate Change Division  
**Topic:** Climate Change Adjustment Program  
**Proof Hansard page:** Written

**Senator NASH asked:**

1. How many farmers applied for the Climate Change Adjustment Program income support scheme?
2. How many applications were successful and how many were rejected?
3. What was the anticipated demand for the program when it was established?
4. Why were there a lower than expected demand?
5. What was the administrative cost incurred while this program was running?

**Answer:**

1. Between 16 June 2008 and 31 May 2012, the Department of Human Services received a total of 5378 applications for one or both of the Climate Change Adjustment Program elements—Transitional Income Support and Advice and Training Grants. Note that some farmers lodged multiple applications.
2. The Department of Human Services has advised that as at 31 May 2012:
  - 2163 farmers have successfully claimed Transitional Income Support since the commencement of the program.
  - 122 Transitional Income Support applications are waiting further processing (Transitional Income Support ended on 30 June 2012 and has been replaced in 2012–13 by the Transitional Farm Family Payment program).
  - The Department of Human Services has recorded 3199 rejection outcomes under the Climate Change Adjustment Program.
  - Note that some farmers lodged multiple applications.

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3. The following table shows estimated uptake of Transitional Income Support per financial year as reported by the Department of Human Services:

Financial Year	Estimated Uptake
2008–09	900
2009–10	1000
2010–11	1200
2011–12	1250

\*These figures are customers numbers receiving payment each financial year. Some farmers received TIS payments across more than one financial year and have been recorded more than once. overlap over years so cannot be added together to give a total uptake.

4. Estimates for Transitional Income Support factored in projected spikes in demand in the event that Exceptional Circumstances declarations ceased. In the early years of the program, many EC declarations were extended due to the severity of the drought, limiting uptake of Transitional Income Support.
5. From commencement of the program through to 30 June 2011, the Department of Human Services absorbed the cost of delivering Transitional Income Support, creating no additional expenditure for delivery of the program. In 2011–12 the Department of Human Services has a departmental budget of \$1.63 million for delivery of Transitional Income Support.

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**Question: 297**

**Division/Agency:** Climate Change Division

**Topic:** Soil carbon testing

**Proof Hansard page:** Written

**Senator NASH asked:**

1. Can the department outline/breakdown how the department is lowering the cost of soil carbon testing?
2. Can the department outline/breakdown the cost in the investigation of lowering the cost of soil carbon testing?
  - (a) From the last five years how much has the department spent on the research of lowering the cost of soil carbon testing?
3. When will the department finalise the cost of soil carbon testing?
4. What has the department done to develop methodologies to increase soil carbon?
5. When will the department have a finalised a list of methodologies?
6. How many applications has the department received regarding different carbon sequestration methods to be put on the positive list?
7. How many of these applications have been listed as additional?
8. Can the department outline the difference between direct sampling and direct measurement pertaining to soil carbon testing levels?
9. How is the department effectively communicating with stakeholders, farmers and communities on the implementation of the Carbon Farming Initiative?
10. Through the communications provided from question (9) what feedback has the department had from stakeholders, farmers and communities?
11. From question (10) has the department found that the feedback has been positive or negative?
12. How much has the department spent on communication and education programs on the Carbon Farming Initiative?

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**Question:** 297 (continued)

**Answer:**

1. The Soil Carbon Research Program has established a new method for measuring soil carbon in soil samples through a mid infra-red spectroscopic technique combined with partial least squares statistical analysis (MIR/PLS). MIR/PLS provides a rapid cost-effective method for estimating soil carbon contents (total carbon, organic carbon and inorganic carbon) and could reduce the cost of analyses from approximately \$1000 by previous methods to around \$40.

Soil carbon testing requires field sampling which generates the large majority of soil carbon sampling costs regardless of the method employed. The cost of soil carbon analyses will also be dependent on whether commercial laboratories choose to offer MIR/PLS and the price that they set. Currently there are only a small number of laboratories in Australia with this technology. A calibration set of soils used in the Soil Carbon Research Program will be circulated to these laboratories to allow them to calibrate their instruments and conduct analyses.

2. Under the Soil Carbon Research Program, the Australian Government has provided a total of \$1 642 183 to develop methods to reduce the costs of soil testing. This includes funding of \$1 566 311 for the mid infra-red spectroscopic technique and \$75 872 for the improved bulk density measurement. This funding takes into account direct spending on the technology. The funding does not capture the indirect costs of obtaining and characterising soil samples taken throughout the whole Soil Carbon Research Program to defined the range over which the technology can be applied.

(a) Over the last five years, the Department of Agriculture, Fisheries and Forestry (DAFF) has contributed total funding of \$3.495 million to research investigating the lowering of the cost of soil carbon testing through the CSIRO integration project under the soil Carbon Research Program.

3. The price of soil carbon testing will not be determined by DAFF, but rather by the market and private laboratories who conduct testing.
4. Through the Climate Change Research Program (CCRP), DAFF has funded research to better understand the potential of Australian soils to sequester carbon. The Soil Carbon Research Program has established a nationally standardised soil sampling and analysis method, which will be used in future soil carbon offset methodologies.

The CCRP has also funded research to better understand the properties of different biochars, how they interact with different soils and how they affect crop productivity. This research will also help determine if biochars can be used to reduce greenhouse gas emissions and provide an opportunity for landholders to participate in the carbon market.

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Research into developing soil carbon sequestration offset methodologies will continue through the Carbon Farming Futures' Filling the Research Gap and Action on the Ground programs. Research into biochar is continuing through the Carbon Farming Initiative Biochar Capacity Building Program.

5. The development and approval of Carbon Farming Initiative (CFI) offset methodologies is an ongoing process. The Department of Climate Change and Energy

Efficiency (DCCEE) publishes approved methodologies and methodologies under consideration on their website  
[www.climatechange.gov.au/en/government/initiatives/carbon-farming-initiative/asp](http://www.climatechange.gov.au/en/government/initiatives/carbon-farming-initiative/asp).  
Currently there are four approved methodologies with another nine under consideration.

6. The Department of Climate Change and Energy Efficiency is responsible for receiving applications and administering the positive list application process.

7. There are currently no soil carbon sequestration activities on the positive list.

8. Different terminologies for direct sampling and direct measurement are often used interchangeably and are closely related as the measurement of soil carbon cannot occur without first sampling the soil. Precise definitions will be based on the context in which the terms are used.

9. DAFF communicates on the CFI with stakeholders, farmers and communities through Regional Landcare Facilitators (RLFs). RLFs conduct regionally focused communications activities to provide general information and direct interested people to where they can find more about the CFI. The RLFs are delivering these activities using their Natural Resource Management networks and bringing together local experts to share their carbon farming knowledge and experience. The activities have included field days, information seminars, farm visits and workshops. These have been attended by stakeholders, farmers and community members. By the end of June 2012, 93 events will have been held.

In addition, DAFF has hosted 21 CFI agricultural advisor workshops events across Australia, funded under the Extension and Outreach Program of the Carbon Farming Futures (CFF) initiative. The workshops sought to deliver CFI information to these

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stakeholders, capture their perception of future CFI information requirements and understand how best to deliver this information to them.

A range of published communications material, a website and a hotline have also been developed to engage and communicate with stakeholders about the CFI.

10. An evaluation report based on the participant surveys from the 21 CFI agricultural advisor workshops will be prepared following the final workshop on 14 June 2012.
11. DAFF has found the informal feedback on CFI communication activities and material to be mostly positive with a strong demand for more information and engagement. Informal feedback from the CFI agricultural advisor workshops so far has highlighted that there is a desire for more CFI information and the information and materials provided thus far and the face-to-face contact with Canberra representatives, has been very well received.
12. From 1 June 2011 to 30 April 2012 DAFF had spent approximately \$1.415 million on CFI communication and education programs.

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**Question:** 309

**Division/Agency:** Climate Change Division

**Topic:** Landcare and the Carbon Farming Initiative Communications Program

**Proof Hansard page:** Written

**Senator COLBECK asked:**

Claims have been made by Ministers, including the Prime Minister, that Landcare will be used to deliver the carbon farming initiative. How has Landcare been involved in the development of the program and what plans are there for the delivery phase?

**Answer:**

The mechanism for delivering carbon farming information to farmers and land managers is through the Carbon Farming Initiative (CFI) Communications Program which is already being implemented. The CFI Communications Program will invest \$4 million over four years (2010–11 to 2013–14).

Through the program, grants of \$30 000 from 2011–12 to 2012–13 have been provided to Regional Landcare Facilitators (RLFs) to undertake a range of regionally focused communication activities, including: workshops, information sessions, farm visits, field days and providing communications material, to deliver CFI information to farmers and land managers.

The RLFs are delivering these activities using their Natural Resource Management (NRM) networks —such as Caring for our Country Facilitators— and bringing together local experts to share their carbon farming knowledge and experience—such as Landcare and farming/industry groups, research and development organisations, universities, state/territory and local governments, and community ‘champions’.

As at 15 June 2012, 52 of the 56 NRM host organisations have accepted the grant and RLFs have delivered at least 78 communications activities with another 17 activities planned around the country before the end of June 2012.

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**Question:** 311

**Division/Agency:** Climate Change Division

**Topic:** Regional Forest Agreements

**Proof Hansard page:** 63 (22/05/2012)

**Senator RHIANNON asked:**

**Senator RHIANNON:** Considering there has been a failure to complete five-yearly reviews for nearly all regions covered by RFAs, what are your plans for the future for the RFAs?

**Mr Aldred:** Five-yearly reviews have been completed and tabled. I am happy to provide a table of those. At the moment, in the case of New South Wales and Victoria, what we are doing with our state government colleagues is finalising the government responses to the five-yearly reviews. We are in the final stages of that. I believe that we either have had or have sought meetings with Victorian and New South Wales colleagues in the first week of June to finalise officials-level proposals that would then go to ministers for consideration.

**Answer:**

Five-yearly Regional Forest Agreement (RFA) reviews have occurred for all RFAs with the exception of Western Australia. The current status of the five-yearly RFA reviews is outlined at [Attachment A](#).

The Australian Government continues to work with RFA state governments to progress the reviews.

As RFAs reach their nominal third five-yearly reviews, in accordance with the RFAs, the process for extending the agreements for a further period will be determined jointly by the Parties.



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**Question:** 311 (continued)

Attachment A: **Status of RFA Reviews and due dates for reviews**

<b>State</b>	<b>5 yearly reviews</b>	<b>Independent Reviewer's report</b>	<b>Joint Response report</b>
<b>TAS</b>	1st and 2nd reviews completed (separate reports) 3rd review underway with Tasmania drafting the report on progress	2nd completed (Tabled 06/08)	2nd completed (Tabled 01/10)
<b>NSW</b>	1st review completed	Completed (Tabled 03/10)	Under development NSW reviewing Commonwealth comments on the Joint Response to the Independent Reviewer's report
<b>VIC</b>	1st and 2nd reviews completed (joint report) A Final report on progress is agreed between the Parties and awaits approval in conjunction with Joint Response report	Completed (Tabled 09/10)	Under development VIC reviewing Commonwealth comments on the Joint Response to the Independent Reviewer's report
<b>WA</b>	1st and 2nd (joint report) under development with WA reviewing Commonwealth comments on the report on progress Aiming for public consultation in 2012.	To be developed following public consultation	To be developed following Independent Reviewer's report

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**Question:** 314

**Division/Agency:** Climate Change Division

**Topic:** Details of measuring soil carbon

**Proof Hansard page:** 58 (22/05/2012)

**Senator NASH asked:**

**Senator NASH:** Finally, who is going to measure the increase in carbon in the soil as a result of all these things that are going to go forward, and how often? If a farmer does go through this new methodology that they have come up with and they have increased the carbon in their soil for the subsequent years, will it be continually measured? What is the process and what is the impact on the farmer if the soil carbon goes down in subsequent years?

**Ms Gaglia:** Those decisions are only made once a methodology is developed. There are no methodologies being developed by the government in relation to soil carbon.

**Senator NASH:** Seriously? So we have no idea how this is going to be measured?

**Ms Gaglia:** The government is developing a measurement protocol so that soil carbon can be measured on an on-farm project level. At the moment that is too expensive to happen, so they are developing a cheap method of doing an on-farm measurement and modelling. There are going to be two options. You can either do direct sampling and direct measurement, which will be quite expensive, or you can model the outcomes. So long as you know the baseline, you understand through the science you have done in terms of what the management practice will do in building soil carbon, you can actually model what the soil carbon level should be over a 10- or 15-year timeframe. So, rather than doing direct measurements on an annual basis or every two years, you can do the modelling and then you can verify that with samples taken at intervals.

**Senator NASH:** I am getting hounded by the chair. Would you mind taking that on notice and providing that answer more fully for the committee?

**Answer:**

Carbon Farming Initiative (CFI) methodologies set out the rules and instructions for undertaking projects, estimating abatement and reporting to the Clean Energy Regulator. Farmers will be able to decide who undertakes soil sampling and analysis, but methodologies can require this to be conducted by accredited people and laboratories. Furthermore, protocols used to measure carbon in the soil, including sampling frequency, will be contained in each specific CFI methodology for soil carbon. As no soil carbon methodologies have been approved as yet, the required accreditation and sampling frequencies have not been determined.

Carbon levels for many sequestration activities are subject to a high degree of fluctuation as a result of natural climatic variability or production cycles. Therefore, abatement estimates will be achieved by using an 'averaging' approach to even out this variability over time.

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**Question:** 314 (continued)

This ensures a farmer can still generate carbon credits despite the fact their soil carbon levels may drop in some years, as long as the average carbon levels remain above their baseline levels. The specific formulas required to calculate this variability will be included in soil carbon methodologies.