

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

Question: 27

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Qualifications of Australian Bureau of Agricultural and Resource Economics and Sciences employees

Proof Hansard page: 56

Senator JOYCE asked:

Senator JOYCE: Okay. Are these people on that \$134,000 contract permanent or part time?

Mr Gooday: They are permanent.

Senator JOYCE: This is my final question: what are their qualifications? Who are they?

Mr Gooday: There are economists who have economics degrees, there are social scientists who have social science degrees, and—

Senator JOYCE: Do they have names? I will take that on notice.

Answer:

Australian Bureau of Agricultural and Resource Economics and Sciences staff working on the 'Framework for monitoring and evaluating the socioeconomic outcomes of the basin plan' project funded by the Murray Darling Basin Authority consist of:

| <u>Name</u> | <u>Qualification</u> |
|------------------------|---|
| Tim Goesch | Bachelor of Economics (Hons) |
| Thilak Mallawaarachchi | Master of Agriculture Development Economics PhD (Economics) |
| Nyree Stenekes | Bachelor of Arts (Social Science, Humanities) Bachelor of Civil & Environmental Engineering PhD (Civil & Environmental Engineering) |
| Kristopher Morey | Bachelor of Economics (Hons) Master of International and Development Economics |
| Richard Green | Bachelor of Economics (Hons) |

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Question: 28

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Orders on citrus exports

Proof Hansard page: 58

Senator COLBECK asked:

Senator COLBECK: Okay. And I suppose, to clarify it for more general consumption, these more specifically refer to citrus exports out of South Australia. Is that correct?

Mr Morris: There are a number of orders that fit under the requirements or under the arrangements that are in place in terms of the export efficiency powers: citrus, or oranges, to all markets; it is mandarins, tangelos, grapefruit, lemons and limes to the United States; apples to all markets; pears to all markets; and dried grapes to all export markets. They are the range of commodities where orders currently apply. In essence, we were looking across those.

Senator COLBECK: In how many of those markets, while there might be orders that apply, are they actually in use or being utilised?

Mr Morris: I will probably have to get you the specific details of that on notice. Certainly all citrus exported to the United States market must be sold through a single exporting—

Senator COLBECK: Single desk effectively.

Mr Morris: Yes, single desk type arrangement. In fact, a single importing company in this case. The exporters of oranges, apples, pears and dried grapes generally are required to obtain a licence from Horticulture Australia Limited, so there are arrangements around those. For certain other markets there is not a similar requirement. But if you wanted a breakdown for which markets they specifically apply and which markets they do not apply, we would have to take that on notice and get you some more detail.

Senator COLBECK: Okay. If you could do that, that is fine. We do not need to do that now.

Answer:

The Horticulture Marketing and Research and Development Services Act 2000 and subordinate legislation and regulations allow for broad ranging conditions to be placed on the export of horticultural produce including requiring use of a specific exporting or importing agent, or specifying quality standards (colour, shape or size) for produce destined for export.

Orders currently in place are as follows:

All exports of citrus to the United States must be sold through a single importer—currently DNE World Fruit Sales Inc (DNE).

Exporters of oranges to any market are required to obtain a licence from Horticulture Australia Limited (HAL).

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Exports of oranges to China must comply with the Citrus to China Marketing Program, under which an advisory committee sets minimum prices to be paid by exporters to packers. Exporters of apples and pears are required to obtain a licence from HAL for shipments to all markets, but no conditions are set as to the quality, size, price or destination of the exported produce.

Exporters of dried grapes are also required to hold an export licence. However, conditions specified around processing standards, trade descriptions, and requiring that dried grape exports be processed only in registered establishments, are no longer applied.

The regulations provide for HAL to collect market data from exporters, but this provision is no longer used.

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Question: 203

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Carbon Tax

Proof Hansard page: Written

Senator COLBECK asked:

What was the justification for excluding domestic airfreight from consideration of the impact of the carbon tax on agriculture?

How were the commodities assessed in this report chosen?

What consideration has ABARES given to the impact of the carbon tax on high value, highly perishable products such as rock lobster and abalone?

In response to QON 230, ABARES indicated that they did not know whether the use of aerial agricultural services for sheep, grains, beef and dairy industries was representative of other industries. How then can the ABARES report into the impact of carbon pricing on Australian agriculture be seen as representative for other agricultural industries?

Why were no highly perishable, high value, low volume products included in the analysis?

Answer:

Relative to other costs, the cost of air freight is negligible in the sheep, grains, beef and dairy industries (ABS 2008) and was therefore excluded from the analysis in *Likely short-run effects of a carbon pricing scheme on Australian agriculture* (Whittle et al. 2011).

The commodities analysed in Whittle et al. (2011) were selected because reliable cost data were available from the ABARES' farm surveys, Australian Agriculture and Grazing Industries Survey and the Australian Dairy Industry Survey. The industries included in the report comprise a substantial majority of Australia's farm production in gross value terms (ABARES 2012).

ABARES will shortly publish analysis of the short-run impacts of carbon pricing on the Australian vegetable industry using ABARES' vegetable survey data.

ABARES has not analysed the short-run effects of carbon pricing on fisheries including high value, highly perishable products such as rock lobster and abalone.

The ABARES report, Whittle et al. (2011), represents the impact of carbon pricing of those sectors specifically included rather than an industry average.

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Question: 203 (continued)

The focus of analysis has been on commodities where data is readily available.
References:

ABARES 2012, *Agricultural commodities*, September quarter 2012, Canberra.

ABS (Australian Bureau of Statistics) 2008, Australian National Accounts: Input-Output Tables 2006-07, cat. No. 5209.0.55.001, Canberra.

Whittle, L, Hug, B, Heyhoe, E, Ahammad, H and Berry, P 2011, *Possible short-run effects of a carbon pricing scheme on Australian agriculture*, ABARES research report 11.10, December, Canberra

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Question: 204

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Wood supply

Proof Hansard page: Written

Senator COLBECK asked:

Does ABARES believe that the impact of the collapse of MIS plantations will not have a significant impact on wood supply over the short, medium and long term?

If, as stated in QON 66 “The full effects of the collapse of some MIS companies will not be known for another 10 years”, what actions are being taken to ensure that there is not a significant impact on wood supply in the medium to long term?

Answer:

The Australian Bureau of Agricultural and Resource Economics and Sciences’ (ABARES) June 2012 report on Australia’s plantation log supply 2010–54, forecasts log supply from Australian plantations to increase from 26 million cubic metres per year in 2010-2014, peak at 33 million cubic metres per year by 2030–34 period and fall to 30 million cubic metres per year by 2050–54. Log supply forecasts are based on information provided by plantation owners and managers, including for some former MIS plantations purchased by institutional investors.

ABARES has not assessed or undertaken any work on what intervention or actions, if any, would be needed in relation to wood supply in the medium to long term, either regionally or nationally.

Reference:

Gavran, M, Frakes, I, Davey, S & Mahendrarajah, S, 2012, *Australia’s plantation log supply 2010–2054*, ABARES, Canberra, March.

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Question: 205

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Forestry employment and implications

Proof Hansard page: Written

Senator COLBECK asked:

Between 2009-10 and 2010-11 the fisheries and forestry sectors in Australia lost a total of 1403 jobs. 993 of these jobs were lost from the forestry and logging sectors of Tasmania. The only state to have an increase in forestry and logging jobs was Queensland.

What modelling have ABARES done on the impact of the job losses in the forestry sector on local communities, particularly in states hardest hit like Tasmania?

Provide details of key findings.

What modelling or consideration has ABARES given to the impact of these job losses to the overall viability of agriculture in Tasmania?

Provide details of key findings.

What consideration has ABARES given to the other implications of the changes in forestry in Tasmania, for example:

- Maintenance of roads
- Fire risk
- Pest and weed control?

Answer:

ABARES has provided advice to the Forestry branch on the Tasmanian forestry industry and that has included information about forest sector employment and local community vulnerability. During late 2010 and early 2011, the Bureau had discussions with the Fenner School, Australian National University and Cooperative Research Centre (CRC) for Forestry about their studies, which were published in 2011¹. The CRC study provided a Tasmanian forest industry employment baseline, showing forest employment falling by 47 per cent from 6510 people in 2006 to 3460 in 2011.

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Whilst there are recognised interactions between the Tasmanian agriculture and forest sectors ABARES has not modelled or considered the impact of forest job losses to the overall viability of agriculture in Tasmania.

The rest of the questions relate most generally to the matters that ABARES would be happy to provide advice on if commissioned by a state government.

Reference:

1. Schirmer J, Dunn C, Loxton E and Dare M (2011) Socioeconomic impacts of forest industry change: a baseline study of the Tasmanian forest industry. Technical Report 214: Interim Report. Draft report, July 2011 Cooperative Research Centre for Forestry, Hobart.

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Question: 206

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Exports

Proof Hansard page: Written

Senator COLBECK asked:

What data does ABARES have on recent changes in value of exports from Tasmania?

What consideration has ABARES given to the impact of these changes?

Answer:

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has access to Australian Bureau of Statistics (ABS) data on exports from Tasmania, which would show recent changes in the value of these exports.

ABARES has not analysed the impact of changes to the value of Tasmanian rural exports.

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Question: 283

Division/Agency: ABARES – Australian Bureau of Agricultural and Resource Economics and Sciences

Topic: Murray-Darling Basin

Proof Hansard page: Written

Senator MCKENZIE asked:

Does ABARES have any statistics on employment in agriculture in the Murray Darling Basin? Please provide details if so.

Answer:

A total of 79 068 persons aged over 15 years were employed in Agriculture in the Murray-Darling Basin at the time of the 2011 Census (ABS 2011 Census of Population and Housing, data generated using ABS TableBuilder on 1/11/2012). This employment figure is for production agriculture and does not include the supply chain.