

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

Question: 2

Division/Agency: Agricultural Productivity Division

Topic: Industry funds

Proof Hansard page: 9

Senator COLBECK asked:

Senator COLBECK: Sorry—\$235.9 million?

Mr Glyde: \$235.9 million is the estimate for 2012-13. That information is drawn from the rural research and development policy statement that was released by the minister earlier this year. I can provide the reference to you if that would help.

Senator COLBECK: Do you have the other contributions—the CRCs, the CSIRO and universities?

Mr Glyde: I do not have them in the information in front of me, but I am sure we could get that from the Productivity Commission.

Senator COLBECK: Okay. Can I clarify whether the industry funds are part of that sum?

Mr Glyde: My understanding is that that is not the case. The industry funds are, as you have suggested earlier, big on industry.

Senator COLBECK: From the outset, that is what I have been trying to determine. I have been very interested in where the number comes from because, quite frankly, the industry funds should be recognised as industry funds.

Mr Glyde: Let me just see whether we can gather that other information from the PC just to absolutely confirm that.

Senator COLBECK: Okay.

Answer:

1. The \$235.9 million is an estimate of Australian Government matching funding of industry levies for 2012-13. It is referred to on page 9 of the Australian Government's *Rural R&D Policy Statement* available at www.daff.gov.au/rdpolicy.
2. The reference to \$715 million for Australian Government contributions to rural research and development in 2008-09 referred to on page 8 of the Australian Government's *Rural R&D Policy Statement*, comes from the Productivity Commission's (PC) *Rural Research and Development Corporations Inquiry* (2011). Table 2.1 from page 13 of the PC inquiry report has been reproduced below. The full PC report is available at www.pc.gov.au/projects/inquiry/rural-research/report.

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Question: 2 (continued)

Table 2.1 Rural R&D funding, 2008-09^a

<i>Organisation type</i>	<i>Funding</i>	<i>Share</i>
	million	%
Australian Government^b		
Cooperative Research Centres	63	
Core funding for the CSIRO	193	
Core funding for the universities ^c	118	
Research and Development Corporations (RDCs)	218	
Other departmental programs ^d	114	
Foregone tax receipts arising from R&D tax concessions	9	
<i>Total Australian Government</i>	<u>715</u>	<u>48</u>
State and Territory Governments		
Project-related budget allocations ^e	348	
Capital investment in R&D facilities	47	
Payments to other funders and suppliers	21	
<i>Total State and Territory Governments</i>	<u>416</u>	<u>28</u>
Private/Industry		
Levy payments provided to RDCs	248	
Other (for which a tax concession is claimed) ^f	116	
<i>Total Private/Industry</i>	<u>364</u>	<u>24</u>
Total	<u>1495</u>	<u>100</u>

^a These data have been updated since the draft report. They do not include funding from royalties and other intellectual property income (on the basis that these have been generated by past funding from governments and private parties). Also, the data do not include in-kind contributions from the private sector, such as through the provision of land and facilities for experiments. ^b Only the portion of the budget assigned to rural R&D is included. ^c Estimated by applying the rural share of total university funding received from contestable sources and the portion of university students studying in agriculture-related areas to the three largest university block grants. ^d Includes programs aimed at wider issues (such as climate change), programs with no sector-specific focus and any one-off payments. ^e Includes rural R&D and associated extension funding for programs facilitated within the primary industry department (or its equivalent). Any funding for rural R&D from State and Territory Government environment departments and the like is not included. ^f Calculated using tax concession data (including an estimate for concessions claimed for R&D on agricultural chemicals). Also includes payments made to the Australian Animal Health Laboratory. *Source:* Productivity Commission estimates.

3. The \$235.9 million estimate for 2012-13, and the PC estimate of \$715 million in 2008-09, are for Australian Government funding only. They do not include funds from industry.

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Agriculture, Fisheries and Forestry

Question: 6

Division/Agency: Agricultural Productivity Division

Topic: Department of Agriculture, Fisheries and Forestry interaction with the Office of Northern Australia and the Department of Regional Australia, Local Government, Arts and Sport

Proof Hansard page: 12-13

Senator MACDONALD asked:

Senator IAN MACDONALD: I am talking about across the board, of which you are a part. I was just interested in that. Anyhow, good luck to what is left of your media department. Finally, in the corporate area, what interaction does your department have with the Office of Northern Australia and the Department of Regional Australia, Local Government, Arts and Sport in some of the programs that are specifically related to agricultural matters?

Dr O'Connell: We have very extensive interactions with the department of regional development on a range of issues. We could, if you want, provide you with a list of those. But there is a large set of exercises, whole of government-wise, which both ourselves and the department of regional development are involved in.

Mr Aldred: Maybe specific examples might be raised under the productivity provisions.

Senator IAN MACDONALD: Sorry?

Mr Aldred: We can probably tease out specific examples under agricultural productivity provisions, Senator.

Senator IAN MACDONALD: All right. That is fine. Thank you for that. That is all from me.

Answer:

The Department of Agriculture, Fisheries and Forestry has liaised with the Office of Northern Australia and/or the Department of Regional Australia, Local Government, Arts and Sport on a number of issues. These include:

- The Working Group on Water, Soil and Food
- National Food Plan
- Review on wheat export marketing arrangements
- The Northern Australia Ministerial Forum
- The Australian Government's water reform agenda
- Live animal trade
- Regional development and recovery
- Natural Resource Management
- Rural Research and Development Policy
- Australian Pesticides and Veterinary Medicines

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Question: 56

Division/Agency: Agricultural Productivity Division

Topic: Year of the Farmer funding

Proof Hansard page: 112

Senator COLBECK asked:

Senator COLBECK: Have we asked them to report back on their achievements in that? For example, was their presence at rural agricultural shows, which would be a reasonable opportunity for people to undertake that engagement, part of their commitment under the \$500,000 we gave them?

Mr Koval: In terms of reporting back, the Australian Year of the Farmer Limited have not completed their obligations, so we would not expect them to report back until they had completed that event. There is still some time for that. I will have to take on notice whether or not we actually said to them, 'You must go to X number of field day events and activities.' From memory I think they have exceeded what they initially said they were going to do in terms of the number of roadshows, but I will have to go back and have a look and take that one on notice.

Answer:

Yes. Australian Farmer of the Year Limited submitted an interim report in September 2012. The final report is due in December 2012.

The Project Objectives were:

- To assist in the delivery of the AYof Ltd National Roadshow to women, youth, Indigenous Australians, and people from culturally and linguistically diverse (CALD) backgrounds
- To provide development opportunities for female and/or young crew members of the National Roadshow

The number of events the National Roadshow would attend was not specified in the funding deed.

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Question: 57

Division/Agency: Agricultural Productivity Division

Topic: Year of the Farmer funding

Proof Hansard page: 114

Senator COLBECK asked:

CHAIR: You might not have to take it on notice, Mr Tucker. Are you in a position to answer it now?

Mr Tucker: No; the officer with the details left this evening, so we will provide it on notice.

Senator COLBECK: The conversation was about two programs, one of \$1.2 million and one of \$1.3 million, and there was some confusion about what came out of what program.

That is where we ended up, on the reallocation of \$1.2 million into the Year of the Farmer.

Senator Ludwig: Yes, and you said they should take it on notice, but the \$1.25 million—I will correct the record if I am wrong, but I am pretty confident—did not come out of that program....

Answer:

\$1.25 million was reallocated from an underspend in the Drought assistance – Professional Advice program to the Community Networks and Capacity Building program.

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Question: 58

Division/Agency: Agricultural Productivity Division

Topic: Year of the Farmer funding

Proof Hansard page: 114

Senator McKENZIE asked:

Senator McKENZIE: I have a question on the same issue. Senator Colbeck has addressed a lot of the issues that I had with the 'Year of the Flop', as the front page of the *Weekly Times* said last week. In the period of time between the seed funding and the additional allocation by the minister of \$500,000 in March, what formal assessment was done of the proposal that the group was putting up at that time?

Mr Koval: We received requests for funding and we would have assessed them at that time.

Senator McKENZIE: What sort of criteria would you have had around that?

Mr Koval: It was done against the CNCB, Community Networks and Capacity Building. We set criteria and it was assessed against those criteria. I can provide those if you like.

Senator McKENZIE: That would be fantastic

Answer:

All Community Networks and Capacity Building (CNCB) applications and proposed activities were assessed taking into account:

- the outcomes that will be achieved
- the level of in-kind contribution by applicants and partners
- demonstrated industry and community support for the project
- project viability and the applicants' viability and capacity
- ability to partner with other programs within and outside the department
- appropriateness of funding under the CNCB component (whether the activities are more appropriately funded under another program or in conjunction with another program)
- broader links to Australia's Farming Future
- consistency with Australian Government agriculture, fisheries and forestry policy objectives

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Question: 59

Division/Agency: Agricultural Productivity Division

Topic: Year of the Farmer funding

Proof Hansard page: 115

Senator McKENZIE asked:

Senator McKENZIE: Their activities, not their obligations?

Mr Koval: Activities, obligations—

Senator McKENZIE: Under the plan they submitted to you?

Mr Koval: Under the submission—I will have to go back and have a look at what we actually agreed for them to look at. They have been out there doing the roadshows as they were asked to do: look at certain groups and everything else and report back to us. As I said earlier, I am not quite sure we actually said 'next certain number of roadshows' that they had to do. I will have to take it on notice and have a look.

Senator McKENZIE: I would appreciate that.

Answer:

The number of events the National Roadshow would attend was not specified in the funding deed with AYof Ltd.

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Question: 60

Division/Agency: Agricultural Productivity Division

Topic: Spending in the Regional Food Producers Innovation and Productivity Program
Proof Hansard page: 116

Senator NASH asked:

Senator NASH: Correct me if I am wrong, the Regional Food Producers Innovation and Productivity Program was a four-year election commitment announced in 2007, according to your answer to my question on notice, and terminated on 30 June 2012. Can you refresh my memory as to how much funding was allocated to it and what it actually did?

...

Senator NASH: So we started with \$35 million. I think you said a variety of things happened—sorry, I cannot remember your exact words—to reduce it to \$10.8 million. How many different reductions were there from the \$35 million down to \$10.8 million? Thirty-five million dollars sounds pretty good; \$10.8 million, not so good.

Mr Solomon: In terms of precise numbers of movements out of the program, rather than waste your time by counting up—

Senator NASH: I am not wasting my time at all.

Mr Solomon: I might take that on notice.

Senator NASH: I would like you to take it on notice.

Answer:

There were 14 movements of funds from the Regional Food Producers Innovation and Productivity Program. Final expenditure under the program was \$8.5 million.

	Number of movements	\$ million
Movements to food-related programs: <ul style="list-style-type: none">• Promoting Australian Produce (Major Events)• National Food Plan	3	6.8
Movements to other administered activities	4	7.7
Movement to the Department of Industry, Innovation, Science and Research as a result of machinery of government changes	1	3.0
Uncommitted funds returned to government after the end of each financial year and at other times	6	9.0

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Question: 61

Division/Agency: Agricultural Productivity Division

Topic: Spending in the Regional Food Producers Innovation and Productivity Program
Proof Hansard page: 116

Senator NASH asked:

Senator NASH: How many applications did you have all up?

Mr Solomon: I am sorry, I will have to take that on notice.

Answer:

An application to the Regional Food Producers Innovation and Productivity Program was a two-step process. Expressions of interest (EOIs) were sought and reviewed for consistency with program aims, leading to invitations to submit full applications. Applications were screened for eligibility against the program guidelines; those deemed eligible were further assessed by an independent program advisory panel. Grants were approved by the delegated decision maker.

Number of applications	Round 1	Round 2	Total
EOIs	235	160	395
Applications	54	50	104
Assessed Applications	53	42	95
Approved	15	16	31

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Question: 62

Division/Agency: Agricultural Productivity Division

Topic: Spending in the Regional Food Producers Innovation and Productivity Program

Proof Hansard page: 116

Senator NASH asked:

Senator NASH: If you could take that on notice, that would be great. What did you do to promote the program?

Mr Koval: It was before my time, so I can call people who would understand.

Senator NASH: Oh boy, if everybody used that who sat at this desk I would be here for seven years; we would be in a world of pain.

Mr Koval: We would have taken the standard approach. We would have advertised. We would have used our networks as best we can. We would have spoken to industry contacts. We would have tried to contact food processors themselves and things like that to try and raise awareness of the program. They are fairly standard steps that we would have taken. We can provide a process, perhaps on notice, in some more detail about the exact methods we used to try and raise awareness.

Senator NASH: I accept that. That is fine. Would you mind taking on notice to verify that that was indeed the case?

Answer:

The Regional Food Producers Innovation and Productivity Program was advertised and promoted through a variety of channels at launch and at the inception of each of the two funding rounds. These activities included:

- Media releases at program launch and on constitution of the program advisory panel
- Advertisements in The Australian newspaper
- Banner advertisements in FoodWEEK online
- Promotion through the Fisheries Research and Development Corporation magazine *Fish* to particularly target the fishing sector
- Leaflets and flyers distributed at conferences, industry meetings and through the DAFF Roadshow program
- Promotion through state government industry/economic development agencies, peak industry bodies and rural research and development corporations
- Emails to a database of approximately 4500 contacts from previous food programs
- Listing on the GrantsLINK directory, administered by the Department of Regional Australia, Local Government, Arts and Sport.

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Question: 63

Division/Agency: Agricultural Productivity Division

Topic: Regional Food Producers Innovation and Productivity Program

Proof Hansard page: 116-117

Senator NASH asked:

Senator NASH: I accept that. That is fine. Would you mind taking on notice to verify that that was indeed the case? Minister, are you aware of this program and the reductions that happened along the way?

Senator Ludwig: Broadly.

Senator NASH: Was it just a nice little pot to grab some cash out of to redirect to somewhere else? I am struggling to understand why a \$35 million program went down to \$10.8 million.

Senator Ludwig: I think as you have already heard, there was not a lot of uptake.

Senator NASH: I do not think that is necessarily a great reason to drop \$20 million out of what is a good program.

Senator Ludwig: Again, it depends on whether or not there is uptake. If there is no uptake of the program—

Senator NASH: Thank you. If you would not mind taking on notice as well, when we do the time line for the steps through for the reduction, to do a comparative of how many applications were in the pipeline at that point in time, from the start of the program travelling along. If we could do that concurrently, that would be very useful.

Answer:

This response provides elaboration on the response to Question 60 (Agricultural Productivity Division) from the Supplementary Budget Estimates in October 2012.

There were three movements of funds before Round 1 and 2 projects were approved; these were:

- Two movements to the newly established Promoting Australian Produce (Major Events) program – total \$3.3 million.
- Return of uncommitted funds to government at the end of the 2008–09 financial year – total budgeted funds for that financial year of \$3 million.

All other movements of funds occurred after the 31 projects under the two rounds of the Regional Food Producers Innovation and Productivity Program had been approved.

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Question: 63 (continued)

Date	Round 1	Round 2	Movement of funds
5 December 2008			\$3 million to the Promoting Australian Produce (Major Events) program
18 December 2008	Round launched		
9 February 2009	235 EOIs ¹ received		
1 April 2009		Round launched	
13-14 May 2009	53 applications reviewed by Advisory Panel		
30 June 2009 – end FY ²			\$3 million of uncommitted funds returned to government
6 July 2009		160 EOIs received	
24 July 2009	15 grants approved		
21-22 October 2009		42 applications reviewed by Advisory Panel	
23 October 2009			\$1.3 million to the Promoting Australian Produce (Major Events) program
February/March 2010		16 grants approved	
13 April 2010			\$0.831 million to other administered activities.
30 June 2010 – end FY ²			\$1.105 million of uncommitted funds returned to government
FY 2010-11			\$4.5 million to other programs and initiatives, and \$0.376 million of uncommitted funds returned to government
FY 2011-12			\$7.9 million to other initiatives, and \$4.481 million of uncommitted funds returned to government ³

¹ EOI – Expression of interest.

² end of FY (financial year) – funds available for movement after this date.

³ uncommitted funds includes savings owing to under-expenditure on completed projects.

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Question: 64

Division/Agency: Agricultural Productivity Division

Topic: Citrus Australia Ltd

Proof Hansard page: 119

Senator RUSTON asked:

Senator RUSTON: I noted in a letter from the minister to one of the industry associations that you requested a number of things in terms of an improvement in governance. I bring to your attention a couple of them. One was that the citrus IAC would no longer be constituted by a majority of members coming from Citrus Australia Ltd. I note that the change went from four members to 11 members that were directors, the executive officer or employees of CAL. I just noted on the new post August 2012 board that whilst there are only four out of 11, and that the four additional members who are different to the members who constituted the board prior to the minister requesting these increased governance arrangements may not be directors of Citrus Australia, but that they are actually members of Citrus Australia; and also that the two employees of Citrus Australia that became one employee of Citrus Australia actually excluded Ms Pat Barkley. The letter from the minister actually said that Ms Barkley had to remain on the IAC and yet she seems to be the person who has been removed. So on two points there: the constitution of the committee and the role of Ms Barkley.

Senator Ludwig: We will follow it up.

Answer

The minister advised the South Australian Citrus Industry Development Board in writing of actions Horticulture Australia Limited (HAL) had confirmed it would implement to strengthen the governance of the citrus industry advisory committee (IAC). These included:

1. The citrus IAC would be reconstituted with the majority of its members not being directors, executive officers or employees of Citrus Australia Limited (CAL). The new IAC has nine voting members, three of whom are board directors of CAL and six of whom are not. Of the new IAC's nine voting members, six are grower members of CAL, one is an affiliate member of CAL and two are not members of CAL. The CEO of CAL and the HAL citrus industry services manager have administrative roles with the IAC, but do not have voting rights; and
2. Ms Pat Barkley would remain on the citrus IAC as technical adviser. Ms Barkley has since decided to resign as research and development technical adviser to CAL, and therefore also from her role on the IAC.

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Question: 65

Division/Agency: Agricultural Productivity Division

Topic: Citrus Australia Ltd

Proof Hansard page: 120

Senator RUSTON asked:

Senator RUSTON: Could you just take a couple of other things on notice? In 2010-11 it appears that about 75 per cent of the research and development funds that were available to the citrus industry went to Citrus Australia. Subsequent to your changes in your governance arrangements, could you advise what percentage of the funds in 2011-12 went to Citrus Australia, and also to date in 2012-13—what percentage of those funds have gone?

Mr Koval: Yes, certainly.

Answer

The changes to the governance arrangements of HAL's citrus industry advisory committee (IAC) occurred after the close of the 2011-12 financial year and after HAL had made its decisions about the allocation of funding for 2012-13.

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Question: 66

Division/Agency: Agricultural Productivity Division

Topic: Comments on draft bill for registration on veterinary chemicals

Proof Hansard page: 120

Senator SIEWART asked:

Senator SIEWERT: Asking how many you have had on this one so far? On the new draft?

Mr Koval: I actually have not looked to see how many we have received to date. Typically with these things, we get a flurry within the last day or so. So, I am happy to provide the answer on notice once the period has closed.

Answer:

The Department of Agriculture, Fisheries and Forestry received 27 submissions on the revised exposure draft Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012.

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Question: 199

Division/Agency: Agricultural Productivity Division

Topic: Efficiency of interactions

Proof Hansard page: Written

Senator COLBECK asked:

1. QON 240 May 2012 indicated that the Government had committed \$800,000 over three years to establish an Independent Science Panel to assess and report publicly each year on the efficiency and effectiveness of the APVMA including the performance of the interactions between the APVMA and other agencies. Has the ISP been established and if so who is on it?
2. If not, when will it be established?
3. When is the first report due?
4. What efficiencies and cost savings have been found through this investment?
5. What sorts of inefficiencies were identified through the mapping of interactions between SEWPaC, DoHa and APVMA?

Answer:

1. No.
2. The panel will be established to report when the Better Regulation of Agricultural and Veterinary Chemical reforms are in place.
3. The first report of the Independent Science Panel is expected one year after the panel is established.
4. Not applicable. Please refer to the answer to Question 1.
5. The mapping exercise identified potential efficiencies in the areas of:
 - a. legislation,
 - b. transparent decision-making frameworks,
 - c. engagement and communications with stakeholders; and
 - d. service delivery.

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Question: 200

Division/Agency: Agricultural Productivity Division

Topic: First Principles review of APVMA cost recovery

Proof Hansard page: Written

Senator COLBECK asked:

1. What is the current status of the 'first principles' review of APVMA's cost recovery?
2. When is it due to report?
3. What are the Terms of Reference for this review?
4. What cost savings have been found?

Answer:

1. The First Principles Review began in August 2012. All stakeholders (including state and territory governments, industry and the community) were invited to provide initial submissions to the Department of Agriculture, Fisheries and Forestry by 21 September 2012.
2. The First Principles Review will develop a new draft cost recovery framework, which is expected to be released in the coming months.
3. The objective and scope for the review are “The comprehensive first-principles review of the cost recovery arrangements for the Australian Pesticides and Veterinary Medicines Authority (APVMA) will examine and recommend options to strengthen the financial sustainability, transparency and accountability of the APVMA’s cost recovery arrangements. The review is focused on the structure of the APVMA’s cost recovery framework. The review does not include consideration of the scope and level of the APVMA’s regulatory activities.”

More background into the terms of reference are provided in the call for initial submissions on the DAFF website:

www.daff.gov.au/agriculture-food/ag-vet-chemicals/first-principles-review-of-the-apvmas-cost-recovery-arrangements.

4. Not applicable.

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Question: 202

Division/Agency: Agricultural Productivity Division

Topic: Better Regulation Reform

Proof Hansard page: Written

Senator COLBECK asked:

1. Does this legislation retain the existing mechanism for triggering a reconsideration?
2. The new legislation allows an automatic trigger for reconsideration if two or more overseas regulators make a decision to prohibit use of a chemical within 7 years. Does prohibition include not reregistering a product that is up for renewal?
3. Does prohibition include where a product is removed for safety reasons because of lack of data?
4. Under the reregistration process the APVMA must reregister/reapprove unless it appears that the constituent or product does not meet safety, trade or efficacy criteria. How is this any different from the reconsideration of chemicals under the current system where chemicals are reconsidered if they have are risk to humans, animals and the environment?
5. What is the cost of the reregistration process to industry?
6. Is it true that other countries that have reregistration processes in place (the USA and the EU) that they contribute more than 30% of the costs of registration?
7. Will the government be contributing funds to reregistration process in line with other countries that have this process?
8. On the registration process the APVMA must reregister/reapprove unless it appears that the constituent or product does not meet safety, trade or efficacy criteria. How do they determine safety, trade or efficacy criteria? Is it precautionary, risk based or on specific empirical criteria?

Answer:

1. Yes.
2. The exposure draft Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012 (the draft Bill) does not include an automatic trigger for reconsideration.
3. Not applicable, see answer to part 2 of this question, above.

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Question: 202 (continued)

4. The re-registration scheme as proposed in the draft Bill requires the APVMA to grant an application for re-approval or re-registration unless it appears to the APVMA that there are reasonable grounds to believe that the approved active constituent or registered chemical product does not meet the safety, trade or efficacy criteria (as relevant to the approval or registration). The safety, trade and efficacy criteria are described in sections 5A to 5C of the draft Bill.

The 'test' for re-registration is to identify if there are reasonable grounds to believe that the chemical does not meet the safety criteria, trade criteria or efficacy criteria. The test in reconsideration is that the APVMA must be satisfied that the chemical meets the safety, trade or efficacy criteria based on information supplied by the prospective holder of approval or registration.

5. It is anticipated that the cost of re-approval or re-registration application would be equivalent to around \$100 per year or less.
6. Yes, at least in the United States of America (US). The Regulation Impact Statement for the Better Regulation reforms found that for the US re-registration process, the US Congress authorised the Environmental Protection Agency (EPA) to collect fees from pesticide manufacturers.

In 2010 the EPA reported \$64.5 million expenditure on re-registration and the Expedited Processing Fund. Of this, \$40.0 million came from government appropriation. The RIS described EPA proposals to collect an additional \$25 million towards re-registration from industry in order to more closely align fee collections with program costs in 2012¹.

Equivalent information for the European Union's registration, evaluation, authorisation and restriction of chemical substances (REACH) system was not available.

7. The scheme is not comparable with those in other countries as it has been designed in light of the characteristics of the Australian market for agricultural and veterinary chemicals and to limit, as far as possible, the impacts on Australian industry. The Australian Government is providing approximately \$8.8 million over four years to the APVMA to support the implementation of these reforms, including the re-approval and re-registration scheme.

¹ <http://nepis.epa.gov/EPA/html/DLwait.htm?url=/Adobe/PDF/P100A4HZ.PDF>, accessed March 2010.

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Question: 202 (continued)

8. The 'test' for re-approval or re-registration is to identify if there are reasonable grounds to believe that the chemical does not meet the safety criteria, trade criteria or efficacy criteria. The APVMA will apply expert judgement to determine if this is the case, rather than apply precaution or specific empirical criteria. In applying its expert judgement, the APVMA will give consideration to Australia's risk assessment and management focus to regulating chemicals and have regard to the Commonwealth's policy in relation to the principle of ecologically sustainable development (which draws on a precautionary approach). The safety, trade and efficacy criteria are set out in sections 5A to 5C of the draft Bill. These sections replicate the existing tests for safety, trade and efficacy repeated throughout the current legislation, for example, at paragraph 14(3)(e) and subsections 14(4) to (6).

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Question: 220

Division/Agency: Agricultural Productivity Division

Topic: Tomato processing industry

Proof Hansard page: Written

Senator COLBECK asked:

1. The response to QON 219 May 2012 is based on a 10 year old customs report. Given there has been a large contraction in the processing industry in tomatoes since that report and recent media regarding 41 cents in the dollar subsidies for Italian producers does the department have any plans to revisit this issue?
2. If not, why not?
3. If so, what are these plans and when will a report be available?

Answer:

1. No.
2. This is not a Department of Agriculture, Fisheries and Forestry responsibility. Under the provisions of the *Customs Act 1901* the Australian Customs and Border Protection Service is responsible for the anti-dumping/countervailing system.
3. Not applicable.

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Question: 221

Division/Agency: Agricultural Productivity Division

Topic: Draft ag and vet chemical legislation

Proof Hansard page: Written

Senator COLBECK asked:

1. Does this legislation retain the existing mechanism for triggering a reconsideration?
2. The new legislation allows an automatic trigger for reconsideration if two or more overseas regulators make a decision to prohibit use of a chemical within 7 years. Does prohibition include not reregistering a product that is up for renewal?
3. Does prohibition include where a product is removed for safety reasons because of lack of data?
4. Under the reregistration process the APVMA must reregister/reapprove unless it appears that the constituent or product does not meet safety, trade or efficacy criteria. How is this any different from the reconsideration of chemicals under the current system where chemicals are reconsidered if they have are risk to humans, animals and the environment?
5. What is the cost of the reregistration process to industry?
6. Is it true that other countries that have reregistration processes in place (the USA and the EU) that they contribute more than 30% of the costs of registration?
7. Will the government be contributing funds to reregistration process in line with other countries that have this process?
8. On the registration process the APVMA must reregister/reapprove unless it appears that the constituent or product does not meet safety, trade or efficacy criteria. How do they determine safety, trade or efficacy criteria is it precautionary, risk based or on specific empirical criteria?
9. What are the timelines to introduce this legislation into the house?
10. What extra cost does the reregistration process place on industry?
11. The Minister for Finance and Deregulation, Penny Wong listed Agvet chemical reform in the 2012 update on the Australian Government deregulation agenda as a key example that will reduce regulatory compliance costs for businesses and improve their competitiveness. How does the reregistration process and the extra \$9 million in costs reduce the regulation?

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Question: 221 (continued)

12. The RIS for the Agvet chemical legislation 4.1.1.2 in the first paragraph on page 25 states that it is envisaged that the numbers of chemicals referred for review broadly equate to the existing numbers of review nominations. Therefore despite a whole new layer of regulation costing the industry in excess of \$9 million the amount of chemicals reviewed due to potential health or environmental hazards will be the same. Please explain the need for the change if this is the case.

Answer:

1. Please see the response to question 1 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
2. Please see the response to question 2 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
3. Please see the response to question 3 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
4. Please see the response to question 4 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
5. Please see the response to question 5 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
6. Please see the response to question 6 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
7. Please see the response to question 7 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
8. Please see the response to question 8 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.
9. The Bill is scheduled for introduction in November 2012.
10. Please see the response to question 5 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.

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Question: 221 (continued)

11. The draft Bill introduces a system for systematically considering whether the chemicals available today continue to remain safe. This re-approval and re-registration scheme is one of several measures included in the Better Regulation reforms. Together, the draft Bill, along with other non-legislated measures, improves the regulation of agricultural and veterinary chemicals by: improving the consistency, efficiency and transparency of chemicals assessments and reconsiderations; aligning regulatory effort with chemical risk; reducing the backlog of chemicals requiring reconsideration; removing disincentives and providing greater incentives for companies to invest in new chemicals; and improving the ability of the APVMA to enforce compliance with its regulatory decisions.

The Better Regulation reforms will not result in an ‘extra \$9 million in costs’. It appears this claim is built on economic modelling prepared by Deloitte Access Economics for CropLife that is out of date—the modelling was done based on an APVMA cost recovery discussion paper released in December 2011. Since that time, the government recognised that many of the proposals in that discussion paper could not proceed without a fundamental review of the APVMA’s cost recovery arrangements. The Department of Agriculture, Fisheries and Forestry has started this review.

In August this year, all stakeholders (including state and territory governments, industry and the community) were invited to provide initial submissions to the Department. These submissions will provide an initial base for the development of a new draft cost recovery framework, expected to be released for public consultation in the first half of 2013. Additionally, the review process will consider the relevant issues raised by public consultation on the APVMA’s December 2011 Cost Recovery Discussion Paper, including the matters recently raised by CropLife Australia and the Deloitte modelling work.

12. Please see the answer to the answer to question 4 of QoN 202 (Agricultural Productivity Division) from the Supplementary Budget hearings October 2012.

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Question: 222

Division/Agency: Agricultural Productivity Division

Topic: Agricultural Skills

Proof Hansard page: Written

Senator COLBECK asked:

1. Did the Department of Agriculture, Fisheries and Forestry (DAFF) place any conditions on funding provided to the Primary Industry Centre for Science Education (PICSE) and the Primary Industries Education Foundation (PIEF)?
2. Did DAFF provide input into the invitees to the PICSE roundtable to establish an Agricultural Education Council?
3. Does DAFF consider they have a leadership role in facilitating the development of an Agricultural Education Council, or similar?

Answer:

1. In the 2011–12 financial year the Department of Agriculture, Fisheries and Forestry (DAFF) provided the Primary Industry Centre for Science Education (PICSE) with \$125 000 in funding to assist the centre in developing strategies to encourage more young people to enter primary industries through research and agribusiness organisations. This included \$50 000 for the production of the *Science taking you places* careers booklet. For the same period DAFF provided the Primary Industries Education Foundation with \$225 000 to continue the government's membership of the foundation and \$100 000 for the delivery of the Primary Industries Partnerships for Schools Project. The figures quoted are GST exclusive.

This funding was provided subject to standard funding deeds, which included relevant milestones.

2. No.
3. The Australian Government recognises the benefits of an industry-led body to promote career paths in the agrifood sector, because industry is best placed to determine the needs of the sector.

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Question: 223

Division/Agency: Agricultural Productivity Division

Topic: Research and Development, DAFF media release 23 July 2012

Proof Hansard page: Written

Senator COLBECK asked:

1. What strategies are being implemented to increase extension activities?
2. How will coordination and priority setting across all the RDCs be achieved?
3. How will performance be measured?

Answer:

1. The Australian Government *Rural Research and Development Policy Statement* launched on 24 July 2012 includes the following extension measures:
 - Inclusion of a requirement in statutory funding agreements that each research and Development Corporation:
 - include in its strategic plan an extension plan which outlines the pathways to adoption for the research and development (R&D) it conducts
 - consider the pathways to adoption in the planning and approval process for each research project
 - report on extension activities
 - The Department of Agriculture, Fisheries and Forestry (DAFF) will also ensure that extension is included in all R&D project plans funded within the portfolio by including these obligations as part of grant contracts, as applicable.
 - DAFF will facilitate adoption of research outcomes by raising awareness (among researchers funded through departmental programs and RDCs) of opportunities to access further government funding or advice on commercialising research outcomes. This may include DAFF's Export Facilitation Service and Commercialisation Australia.

The Australian Government will also continue working with other parties to the National Primary Industries Research, Development and Extension Framework which aims to ensure extension and adoption priorities are adequately understood and addressed during implementation of sectoral and cross-sectoral strategies under the framework.

2. The Australian Government will provide stronger direction and clarity to research and development corporations (RDC) and other investors by identifying key medium to long-term issues under the national Rural Research and Development Priorities that it considers individual or groups of RDCs need to address.

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Question: 223 (continued)

Under revised arrangements, in the lead-up to development of RDC strategic plans the government may identify and advise the RDC of specific issues it believes warrant priority in the RDC R&D investment over the life of the strategic plan. The Australian Government would work with RDCs to ensure those issues and associated R&D remain relevant over time. RDCs would be required to report the outcomes of this R&D as part of the public reporting of its whole portfolio outcomes.

The RDCs are ideally placed to use their expertise and flexible investment model to work together and to bring in other system participants to support the implementation of cross-sectoral strategies under the National Primary Industries Research Development and Extension Framework.

The Australian Government will ask the Council of Rural RDCs to report annually on RDCs' collaborative efforts.

3. The Australian Government will ask the Australian Bureau of Agricultural Resource Economics and Sciences (ABARES) to deliver three-yearly system-wide rural research, development and extension performance reports. These reports will be based on the performance measurement and reporting framework the Rural Research and Development Council developed and DAFF ABARES refined in its report, *Measuring and reporting trends relating to the performance of Australia's rural RD&E system*.

Individual rural research and development corporations and other system participants are subject to regular performance reporting under relevant enabling legislation and/ or governance arrangements.

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Question: 235

Division/Agency: Agricultural Productivity Division

Topic: National Food Plan

Proof Hansard page: Written

Senator HEFFERNAN asked:

1. With the loss of food producing farmland to managed investment schemes (MIS) and other timber plantation entities in Australia, what does the government intend to do to protect future Food Security in Australia from competing farmland uses?
2. Is there a policy, if so, can we have a copy?
3. What and how does the government intend to prevent timber plantations displacing food producing farmland now and into the future?
4. In Tasmania it is estimated that over one quarter of farms have been lost to timber plantations in the past fourteen years. This represents a great loss of farmers and the farming knowledge these people possessed. What is the government's strategy to retain rural farming communities across Australia and the associated agricultural skills and knowledge base needed to feed the Australian population and a growing world population?
5. With the department's vision on the National Food Plan, what is more important to Australia - timber plantations with tax incentives or food producing rural communities (that are disadvantaged by not having the same taxation dispensations as MIS timber plantation companies)?
6. How much food revenue has Australia lost by giving generous tax incentives to MIS timber plantations over the past decade?
7. If MIS timber plantations are an "as of right" or preferred agricultural land use to realise the targets notionally set in the "Plantations for Australia: The 2020 Vision", why do other agricultural activities not enjoy the same taxation incentives and benefits?
8. Please list those agricultural activities that attract taxation incentives and benefits?
9. How many of the 17 recommendations of the 2004 Senate Committee Report "A Review of the Plantations for Australia: The 2020 Vision" have been acted upon?

Answer:

1. Decision-making with regard to land use planning primarily rests with state and local governments. A number of state governments currently have, or are in the process of developing policies aimed at protecting agricultural land.

The Australian Government is working with the states and territories through the Standing Council on Energy and Resources on a work program that includes the development of a national Multiple Land Use Framework. The framework focuses on ensuring that land is not put to a single use without considering the implications or consequences for other potential land uses.

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Question: 235 (continued)

The department is also working with jurisdictions through the Primary Industries Standing Committee to examine current policy approaches to managing land use, including discussion of the benefits of a more coordinated approach to protecting Australia's strategic agricultural lands.

2. There is no national policy on competing farmland uses. State and territory governments are responsible for land use planning.
3. The government supports the rights of land managers to make business decisions about what they grow on their land, in response to appropriate market signals. The government will continue working with the food and fibre industries and other stakeholders on regulatory reform to help these sectors respond to evolving market signals both domestically and globally.
4. The government is helping to create an operating environment that encourages growth and investment in all Australian industries, including agriculture. This work includes building a strong economy, maintaining appropriate regulatory settings, and controlling inflation. In this way, the government will continue to support the rural sector through investing in research and development to help industries find smarter ways to do business, building a highly skilled workforce, and working to grow international and domestic markets to create opportunities.
5. The government supports the rights of land managers to make business decisions about what to grow on their land, in response to appropriate market signals. The National Food Plan green paper notes that the government believes a market-based policy approach remains the best way to help Australian rural industries take best advantage of future opportunities.
6. The revenue implications of specific taxation treatments, including MIS, are a matter for the Treasury. However, the department notes that the total value of Australian farm and fisheries food production increased by 17 per cent in 2010–11, to \$40.7 billion, and continues to grow and contribute to Australia being one of the most food secure countries in the world.
7. The *Plantations for Australia: the 2020 Vision* is a strategic partnership between the Commonwealth, the states and territories, and the timber growing and processing industry.

Governments and industry established the strategy in 1997 and revised it in 2001, recognising the main impediment to plantation expansion was the lengthy period between upfront investment, and realising revenue; being between 8–25 years.

The industry responded by structuring forestry investments using a managed investment scheme (MIS) structure to stimulate private investment in forestry plantations.

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Question: 235 (continued)

Private investment was attracted through taxation incentives which permitted expenditure on some forest project establishment costs to be 100 per cent tax deductible under the general businesses deductions provisions, contained in section 8-1 of the *Income Tax Assessment Act 1997*.

Managers of forestry MIS and other agricultural businesses operate under the same basic tax principles. Deductions are available for eligible business expenditure, with tax paid on the profit from the enterprise. However, there are differences between forestry MIS and other agricultural business arrangements and their treatment under the *Income Tax Assessment Act 1997*. Division 394 provides special rules for governing forestry MIS that apply to both scheme participants and the forestry manager. The key differences in tax treatment are as follows:

- a. To claim a deduction, a taxpayer investing in forestry MIS is not required to demonstrate that they are 'carrying on a business' or that an amount paid is of revenue nature.
- b. There are different rules for some specific outgoings. Taxpayers investing in forestry MIS may deduct, in full and when paid, their initial contribution to a forestry MIS, subject to planting occurring within 18 months of the end of the income year in which the first payment is made by an investor.
- c. Special integrity rules also apply to forestry MIS which do not apply to direct forestry investors or non-forestry MIS. These integrity rules include a requirement for at least 70 per cent of the scheme manager's expenditure, actual and notional, under the scheme to be direct forestry expenditure, and the 18-month planting requirement.

In July 2007 new taxation arrangements came into effect for forestry MIS investments. These arrangements extended the time for planting from 12 to 18 months (to allow for the consideration of seasonal conditions); and allowed for secondary trading in investments after a holding period of four years. This secondary trading arrangement was intended to promote long-rotation plantations to provide solid wood to the value chain.

8. For taxation purposes, a person is carrying on a primary production business if they carry on a business that conducts an activity listed in the *Income Tax Assessment Act 1997* Section 995-1. The taxation law provides a range of measures, including, but not limited to, depreciation, deductions and concessions that recognise the unique nature of primary production. There are also tax-linked measures available to primary producers to assist them in dealing with fluctuations in their income, such as income averaging and the Farm Management Deposits Scheme. Access to individual measures may be dictated by the size, structure and industry of the primary production business.
9. The former government responded to the report's recommendations in 2007. The response is available at:
www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=rrat_ctte/completed_inquiries/2002-04/plantation_forests/index.htm.

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Question: 266

Division/Agency: Agricultural Productivity Division

Topic: Snail control

Proof Hansard page: Written

Senator EDWARDS asked:

The answer to Senate Question No. 2113 asked on notice on 23 August 2012 lists 10 RD&E projects in relation to snail control since 2003.

1. Can the GRDC provide dates of when the actions were completed?
2. How many were completed recently, given the recent infestation of snails?
3. Is the GRDC, or is the GRDC aware of, any additional funding for the biological control of snails using native nematodes?
4. How far along is the commercial development looking at whether an endemic nematode can be delivered commercially?
5. How long does the GRDC think it might take for it to be brought to the market?
6. Can the GRDC provide some more detail on the National Snail and Slug Management and research workshop that was held in Adelaide, particularly the number of growers that attended?

Answer:

1.

Projects	Date completed/status
1. Optimising on farm snail management	30/12/2003
2. The application of novel genetic approaches to pest land snails — a feasibility study	31/12/2008
3. Snail communication strategy	30/06/2003
4. Snail market survey	30/06/2003
5. Design and printing of a snail grower fact sheet	31/07/2007
6. Integrated snail management in the Southern Region	30/06/2005
7. Assessment of the biological control potential of <i>Sarcophaja penicillata</i>	31/07/2010
8. Establishment survey of the biological control agent <i>Sarcophaja</i>	1/05/2008
9. Biological control of pest snails in Australia using native nematodes - GRDC is in the commercial development phase to determine whether an endemic nematode can be delivered commercially.	Current to be completed by 30/06/2013
10. Snail and slug control scoping study	Current to be completed by 30/06/2013

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Question: 266 (continued)

2. Dates for completed actions are supplied in the table above.
3. Yes.
4. Details are commercial-in-confidence.
5. Details are commercial-in-confidence.
6. The National Snail and Slug management and research workshop was held on 1 February 2012 in Adelaide to identify research gaps, particularly focussing on the control of juvenile snails. Workshop outcomes have been developed for potential investments that Grains Research Development Corporation (GRDC) is currently negotiating for commencement in 2013-14. There were 21 attendees including researchers, growers, GRDC panel members and staff.

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Question: 267

Division/Agency: Agricultural Productivity Division

Topic: New Audit Process

Proof Hansard page: Written

Senator EDWARDS asked:

In February Additional Estimates Wine Australia provided detail on the new audit process in answer to Written Question on Notice 127.

1. Can Wine Australia provide an update on how the roll out of the process is proceeding?
2. Have there been any problems? If so, what?
3. What has been the feedback from the industry? What have industry said?
4. How many auditors has Wine Australia employed since establishing the new audit process?
5. What has been the total cost of rolling out the new audit program?
6. Are there likely to be any savings, if so how much?

Answer:

1. The audit process is fully implemented. Wine Australia has recruited and deployed additional auditing staff and is collecting wines for a chemical analysis survey. Since 1 July 2012, 172 audits have been conducted (33 in New South Wales, 57 in South Australia, 74 in Victoria and 8 in Western Australia) compared with 102 for the 2011-2012 financial year.
2. Auditors have detected problems with two wine producers (one in Victoria, one in South Australia) that had exported wine with an incorrect regional description. The wines have been, or are in the process of being, relabelled at the export destination, and the export licences of the offending wine producers have been suspended.
3. Wine Australia advises that industry has expressed satisfaction that the new arrangements help ensure the integrity of Australian wine and protect Australia's reputation for truthfulness in wine labelling.
4. Four auditors have been recruited since establishing the new program.
5. Wine Australia advise that the total increased cost of the new auditing program for 2012-13 is estimated at \$128 517. Total employee expenses for the Compliance function are budgeted at \$1 003 602 for the 2012-13 year compared with \$850 369 for 2011-12. Approximately 96 per cent of the additional cost is due to the changed auditing process. It is anticipated that \$150 000 will be spent on the chemical analysis program (compared with \$28 586 in the previous year) and approximately \$40 000 of additional (domestic) travel will be incurred by the auditing team.
6. There were savings of approximately \$180 000 associated with the abandonment of the wine tasting process.

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Question: 268

Division/Agency: Agricultural Productivity Division

Topic: Fake wine marketed in China

Proof Hansard page: Written

Senator EDWARDS asked:

Is Wine Australia aware of reports that fake Australian wine is being marketed in China?

If so, what action has Wine Australia taken on this issue?

If not, will Wine Australia investigate claims from June 2012 that fake Australian wine is being marketed and sold in China?

Reference: Booth, M 2012, "Fake SA wine marketed in China, *The Advertiser*,
<http://www.adelaidenow.com.au/news/south-australia/fake-sa-wine-marketed-in-china/story-e6frea83-1226398023478>

Answer:

Wine Australia became aware of the allegedly fake Australian wine being marketed in China several days prior to *the Advertiser* report of 17 June 2012. Wine Australia's investigations have identified no breach of the *Wine Australia Corporation Act 1980*, or the *Wine Australia Regulations 1981*. However, there is evidence to suggest the trade mark of an Australian wine producer may have been infringed in China.

Wine Australia has brought this matter to the attention of the appropriate Chinese regulatory agency, the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China to investigate. The Australian wine producer was also notified as soon as Wine Australia became aware of the infringement.

Wine Australia has accumulated as much evidence as possible to assist the Australian producer build its case to protect its trademark. Wine Australia has had several discussions with the lawyers acting for the affected Australian wine producer and is assisting with case actions as far as possible.

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Question: 277

Division/Agency: Agricultural Productivity Division

Topic: National Vineyard Database

Proof Hansard page: Written

Senator EDWARDS asked:

1. Are Agricultural Productivity/ABARES aware that from 2013, the Australian wine sector will not have a national viticulture statistics collection, such as has existed continuously since 1973?
2. Is the Department aware that this situation has been precipitated by cuts in ABS funding and a doubling of the cost of the survey to industry at the same time as less data is collected?
3. Why is the cost increase for the Vineyard Survey collection so high, particularly in the light of providing a reduced collection?
4. How can the Department assist with retaining ABS arrangements to collect viticulture data in the light of cessation of such a data collection in 2013 and the absence of alternative arrangements being in place?
5. Is there provision for supplementary funding from within or from outside of the Department to fill the shortfall to enable the ABS to continue to provide the industry with the data it requires?
6. Is there a view in the Department on the legitimacy of RDCs operating under the PIERD Act, to fund foundation data sets such as the viticulture statistics?
If so, what is this view?
If not, what would it be upon consideration?
7. Is Agricultural Productivity/Biosecurity aware that the Australian wine sector wishes to create an industry-owned national vineyard database to support; a viticulture data collection, national biosecurity arrangements and for the first time, a national contact database for growers; and does the Department support this concept?
8. If an industry-owned national vineyard database were to be implemented, how can Agricultural Productivity/Wine Australia/GWRDC assist in facilitating the elements required to make it work, namely:
the compulsion to provide information,
confidentiality of information.
9. What can the Department do to assist with implementing a National Vineyard Database in the interest of facilitating effective biosecurity arrangements?

Answer:

1. In the 2012 budget the government announced funding of \$0.425m to the Australian Bureau of Statistics (ABS) to continue quarterly and annual wine surveys in 2012–13 and 2013–14. Funding the ABS to conduct wine surveys will provide the wine industry with the time to assess its data requirements and to work with the ABS on developing a user-pays model for funding future data collection.

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Question: 277 (continued)

Wine Australia and the ABS have commenced discussions on how wine surveys may be conducted after 2014.

- 2-3. Questions about the cost of ABS data collection are best directed to the ABS.
4. Please see the response to question 1.
5. Please see the response to question 1.
6. The *Primary Industries and Energy Research and Development Act 1989* provides for research and development corporations (RDCs) to coordinate and fund research and development activities. It is for the board of each RDC to consider whether funding data collection is appropriate.
7. The Australian wine sector representative organisations have not approached government seeking to create an industry-owned national vineyard database. If the industry organisations bring forward a proposal to government, it will consider it on its merits.
8. In the absence of a proposal to establish an industry-owned national vineyard database the department has not considered how to make a database work.
9. In the absence of a proposal to establish an industry-owned national vineyard database and related details, the department has not considered how such a database could facilitate effective biosecurity arrangements.

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Question: 278

Division/Agency: Agricultural Productivity Division

Topic: Data collection/market failure

Proof Hansard page: Written

Senator EDWARDS asked:

Does the Department accept that oversupply in the wine sector, having been widely acknowledged in 2005-06 but still lingering today despite industry efforts to inform industry decision-making through the Wine Restructure Action Agenda (WRAA) program, represents a prima facie case for market failure?

Has the Department attempted to understand what the underlying causes are for this slow adjustment?

Which government agencies are best to advise on such underpinnings to failed market adjustment?

Is the Department aware of that there is economic evidence to suggest that market failure exists in vineyard planting investment decisions because of relatively large establishment costs, lagged on-set of returns and uncertain revenue streams upon vine maturity. Is the Department also aware that this explanation of market failure would encourage both late and excessive entry into wine grape production and slow adjustment out of it – which are the characteristics the industry is experiencing?

What government policy settings would the Department suggest to correct the market failure in the wine sector and to facilitate adjustment?

What is the Department doing to involve banking and finance instruments with this market failure?

Answer:

The Department of Agriculture, Fisheries and Forestry believes that winemakers and wine grape growers are best placed to determine their response to market conditions and to make decisions about planting or removing vineyards. To better inform farm decision making, in the 2012 budget the government funded the Australian Bureau of Agricultural and Resource Economics and Sciences to undertake a benchmarking survey of the wine grape growing industry to collect production and financial performance data. This will provide better information to the industry on issues such as management practices, future production intentions and levels of off-farm income.

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Question: 282

Division/Agency: Agricultural Productivity Division
Topic: Community Networks and Capacity Building
Proof Hansard page: Written

Senator MCKENZIE asked:

How was the Community Networks and Capacity Building program assessed? What was found to be the difference it made to the leadership and representative capacity of target groups?

What other outcomes were quantified and how?

How did the Year of the Farmer organisation build the leadership and representative capacity of target groups via the funding provided to them through this program?

Answer:

In 2011, Department of Agriculture, Fisheries and Forestry (DAFF) commissioned an independent evaluation of the Community Networks Capacity Building (CNCB) program. This was conducted using both quantitative and qualitative data, based on application and grant data provided by DAFF, and information obtained from discussions with grant recipients and key stakeholders.

Three quarters of CNCB grant recipients rated increases in two of the four targeted intermediate outcomes of the program (increase in leadership and management skills, and enhanced networks) as being 'large' or 'very large' in their projects. Two thirds identified similar increases in a third intermediate outcome (increased engagement in government and industry policy development).

The evaluation found that the CNCB program has produced a significant legacy, both through the effects of projects on grant recipients and participants, and through the accumulated knowledge developed by grant recipients.

Australian Year of the Farmer Ltd submitted an interim report in September 2012 reporting that the rural and metropolitan events attended by the roadshow crew provided unique and positive opportunities to engage all aspects of the community including women, youth, Indigenous Australians, and people from culturally and linguistically diverse backgrounds. Crew members attended agricultural and cultural festivals as well as youth groups, schools and childcare/ mother groups.

It was reported that the roadshow crews had success in breaking down "rural-urban" boundaries and engaged thousands of people in discussions about agricultural issues including education, training and careers in agriculture, research and science.

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Question: 282 (continued)

The 29 roadshow crew members (18 were women; 13 were under 30 and 8 were under 25) were provided with intensive training in Occupational Health and Safety requirements, visitor engagement strategies, and communications and media training.