

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 53**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Recommendation of the Working Group on ‘Australia and Food Security in a Changing World’

**Proof Hansard page:** 111

**Senator BACK asked:**

Thanks, Chairman. Can I draw your attention to the Prime Minister’s Science, Engineering and Innovation Council under the chairmanship of Professor Peter Langridge, who chaired a working group in 2010 on Australia and Food Security in a Changing World. That had four recommendations. Are you familiar with that report?

**Mr Grant:** Yes, we are.

**Senator BACK:** Could you tell me which if any of those four recommendations have been implemented?

**Mr Grant:** I cannot tell you that, but I can take it on notice. My understanding is that they were quite broad and generic recommendations. Some of those may be dealt with as part of the consideration of the government’s National Food Plan, but I cannot specifically tell you who is doing what in relation to each of those four. I can come back to you with some information on notice about that.

**Senator BACK:** I would be appreciative if you could do that. In so doing, for those recommendations that have been enacted could you put a dollar figure against any expenditures that have been allocated to them?

**Mr Grant:** We will do.

**Answer:**

The Australian Government will use the recommendations of the Prime Minister’s Science, Engineering and Innovation Council report as it develops policies and programs related to food security.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 54**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** FarmReady Industry Grants

**Proof Hansard page:** 112

**Senator BACK asked:**

**Senator BACK:** Can you tell me how much if any of the \$28 million that has been expended was allocated to administering the program or were the administration costs picked up from within other programs?

**Mr Grant:** \$1.52 million has been spent on administering the program and that was through an external administrator, through a new enterprise.

**Senator BACK:** Two others, if you could give them on notice: the number or percentage of that 25,415 who were Indigenous; and a breakdown of the allocation on a state and territory by state and territory basis, please.

**Mr Grant:** I will take that on notice. I am not sure that I can give you the Indigenous split, but I will check if that is available.

**Answer:**

As at 22 February 2012, there have been 25 879 participants (training occasions) under the FarmReady Reimbursement Grants Program. Of these 1272 or 4.9 per cent identified themselves as Indigenous. Indigenous Australians make up 1.3 per cent of the total labour force of agriculture, fisheries and forestry.

The state breakdown of FarmReady Reimbursement Grants is as follows:

	<b>Total training occasions</b>
New South Wales	7033
Victoria	4276
ACT	26
Queensland	7391
South Australia	3364
Western Australia	2797
Tasmania	695
Northern Territory	297
<b>Total</b>	<b>25 879</b>

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 55**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** WA Fishing Industry Council's Annual Report

**Proof Hansard page:** 113

**Senator SIEWERT asked:**

**Senator SIEWERT:** It is the question relating to the Western Australian Fishing Industry Council's annual report, where they said they had a grant to do some market research.

**Mr Grant:** Yes.

**Senator SIEWERT:** What funding program did that come from?

**Mr Grant:** We gave a grant to the Western Australian Fishing Industry Council under the Promoting Australian Produce program. We gave them a grant of \$100,000 and it was largely about them developing an export marketing strategy. I might ask Mr Souness to give some information. We might have to take it on notice, but we are having difficulty. We are having difficulty relating the money that we gave them to the description they have put in their annual report.

**Answer:**

The Western Australian Fishing Industry Council (WAFIC) was awarded up to \$100 000 in May 2009, under Round 1 of the Promoting Australian Produce program. The aim of the proposed project was to develop an export marketing strategy for the Western Australian seafood industry.

In December 2010, at the request of WAFIC, the project scope was expanded to include the development of a domestic marketing strategy. The additional work was funded from within the approved project budget.

In relation to the concern about the use of the funds, the application from WAFIC to develop a domestic marketing strategy made no mention of surveying in marginal electorates. In addition WAFIC has advised that the survey work undertaken under the project did not include any political or agri-political references. The survey framework was chosen to ensure a wide range of views from respondents from diverse socio-economic areas.

**Rural and Regional Affairs and Transport Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 57**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic: Supermarket Pricing**

**Proof Hansard page: 115**

**Senator MACDONALD asked:**

**Senator IAN MACDONALD:** Thanks for all that. My colleagues have questions, too. They seem now to be tied up in the Woolworths versus Coles: ‘We sell everything for less’, and it has really gone quite the other way. Is anyone doing any work on the industry at all?

**Mr Morris:** Perhaps my colleague can talk from a policy side. From an ABARES side of things we are tracking prices. We produce a weekly report which we call our ‘climate weekly’, which has mainly got information on the latest rainfall and temperatures and so forth. But it also includes information on commodity prices and that includes prices of fruit and vegetables so we will be following what is happening with prices through that.

**Senator IAN MACDONALD:** All right.

**Senator Ludwig:** The people that could answer some of that are not at the table here, so it would be helpful if we could take some of it on notice. My recollection is that we did provide a range of assistance, particularly to a range of agricultural industries, including the banana industry, post Cyclone Yasi. I will not go through them, but I will put that on notice. Then, post that, there is also a range of work around what you called the Coles-Woolworths issue about productivity, about markets. Then there is also, in another portfolio which Senator Arbib looks after, competition policy input. Because the relevant officers are not here, I will see if I can collect that in one part and then provide it to you.

**Answer:**

The Australian Competition and Consumer Commission (ACCC) is actively monitoring the activities of supermarkets to ensure they do not misuse their market power and has publicly stated via its Chairman, Mr Rod Sims, that it will protect the identity of individuals who come forward to provide information about behaviour that would amount to unconscionable conduct on the part of major supermarkets.

In August 2008 the ACCC published its report of the inquiry into the competitiveness of retail prices for standard groceries. *FOODmap: an analysis of the Australian food supply chain* was released by the Department of Agriculture, Fisheries and Forestry (DAFF) earlier this year—this publication assists in understanding the complexities of supply chains for a range of food and grocery products which can impact on pricing. DAFF, through the Australian Bureau of Agricultural and Resource Economics and Sciences compiles a weekly report that includes information on commodity prices, including fruit and vegetables. The department also produces an annual publication *Australian Food Statistics* that provides a statistical overview of major aspects of the Australian food industry.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 58**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic: Regional Food Producers Program**

**Proof Hansard page:** Page 117

**Senator COLBECK asked:**

**Senator COLBECK:** And the rationale that I was given for not spending the money was that we would not have time to get a project done within the 12 months that was left. That was at May last year. Now you are telling me there is \$2.3 million left. I am asking what happened to the \$700,000. None of those figures that you have just given me, which I am pretty sure we already had because we had already discussed the reallocations—I mean, this was a \$35 million program when it was first announced in 2007. You are going to spend about \$13.8 million, from my calculations, out of that program. But put all that aside. The last figure that you gave me was that there was \$3 million left. In May 2011 that is what you told me. Now there is \$2.3 million left. What happened to the 700 grand?

**Mr Grant:** I will have to take that on notice. There has not been an additional round of funding and there have not been any new funding projects approved. I just do not know the details. It is possible that could have been our commitments to already-approved projects in 2011-12, but I will have to check that.

**Answer:**

At Senate Estimates in May 2011 it was reported that the Regional Food Producers Innovation and Productivity Program had current uncommitted funds of \$370 000 for the 2010–11 financial year and \$2.62 million for the 2011–12 financial year—a total of approximately \$3 million. Of those uncommitted funds reported at that time, \$376 000 was returned to government at the end of the 2010–11 financial year and \$2.6 million from the program’s 2011–12 budget was returned to government in September 2011.

The program’s budget allocation for the 2011–12 financial year (excluding the \$2.6 million returned to government in September 2011) is \$3.2 million. These funds were required to support projects previously approved. However, a number of grantees have sought to vary approved projects and reduce the grants previously awarded. This has resulted in \$2.3 million now not being required to fund projects and is uncommitted.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 59**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Australia's Processing Factories

**Proof Hansard page:** Written

**Senator COLBECK asked:**

**Senator COLBECK:** No. I surrender. In the December-January edition of *Potatoes Australia*—and I think that article was repeated in another publication as well, so you did pretty well out of the one interview—you talked about the need to keep Australia's processing factories viable. Can you tell me what you are doing to achieve that?

**Senator Ludwig:** To begin with there is a Food and Foundries initiative which is \$150 million in total.

**Senator COLBECK:** I cannot hear you.

**Senator Ludwig:** Sorry. If I go through a range of initiatives, there is the National Food Plan, which is also directed to dealing with some of those issues. In addition to that there is the Food and Foundries Carbon Farming Initiative. It is a \$200 million Clean Technology Food and Foundries Investment Program, which will provide \$150 million in grants to the food processing industry to invest in energy efficient equipment and low emissions technologies. In addition to that, Mr Carr has a task force for processors. So there is a whole-of-government response. I do not want to mislead you. I will take that part on notice in respect to the work that he is undertaking. I was going to indicate when the report was likely to be finalised. I think it is midyear, but do not hold me to that. I will confirm that. In addition to that we have a strong biosecurity regime. We are now going through a process.

**Answer:**

The Food Processing Industry Strategy Group was established by the then minister for Industry Innovation Science and Research, Senator the Hon. Kim Carr, early in 2011. Its membership comprises senior representatives from industry, trade unions, academia and the Commonwealth Scientific Industrial Research Organisation. The Strategy Group's terms of reference include the identification of the strengths and weaknesses of this diverse and significant manufacturing sector. It is estimated that there are more than 12 500 businesses and 238 identifiable subsectors of the food processing sector.

The Strategy Group has also been tasked with identifying opportunities to increase innovation, and the productivity and competitiveness of the sector. To date the Strategy Group has met four times with two further meetings planned. The Strategy Group is due to report to the Minister for Industry and Innovation by 30 June 2012.

In addition, the Prime Minister's Taskforce on Manufacturing aims to establish a shared vision for the future of the manufacturing sector; co-ordinate and catalyse the work occurring across the manufacturing sector and government to respond to the immediate challenges of a high exchange rate, technological change and global competition and trading conditions. It will also provide advice on how best to leverage and co-ordinate existing Commonwealth and

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 59** (continued)

state government policies and programs, and make further recommendations to capture at a national and regional level the opportunities arising from the 'Asian century' and respond to its challenges. The taskforce is to produce a final report in mid 2012.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 99**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Meat Processing in Northern Australia

**Proof Hansard page:** Written

**Senator MACDONALD asked:**

1. Is the Federal Government providing any funding for the Queensland Government's study into the viability of meat processing facilities in North Queensland?
2. How much funding is being provided?
3. Over what period is the funding being provided?

**Answer:**

1. Yes.
2. The Australian and Queensland governments each provided \$100 000 for the jointly funded study into the commercial viability of a northern outback Queensland meat processing facility, under the North Queensland Irrigated Agriculture Strategy. The Department of Regional Australia, Local Government, Arts and Sport is the responsible agency.
3. The North Queensland Irrigated Agriculture Strategy was announced on 15 December 2011 and the feasibility study was completed in February 2012.



**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 102

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Global Food Challenge

**Proof Hansard page:** Written

**Senator COLBECK asked:**

Has the Government's response to the global food challenge and the potential consequences for Australians changed at all since May 2011—a point of view that Growcom called a “head in the sand” approach?

**Answer:**

Australia's approach to global food security focuses on addressing longer term issues that will affect food security and alleviating short term impacts of food shortages and price volatility on developing countries. This comprehensive approach includes:

- short-term emergency assistance and social protection to those most in need
- increased investment in medium to long-term global food security through agricultural research and development (internationally and in developing countries) to improve agricultural productivity and environmental sustainability, improving rural livelihoods through markets that benefit poor people, and building community resilience
- advocacy and support for appropriate economic and trade policies at the global, regional and national levels, together with good governance
- working with multilateral and regional institutions such as the United Nations; Food and Agriculture Organisation; the G20; the World Bank; the World Trade Organisation and the Asia-Pacific Economic Cooperation.

The Australian Government has committed to developing Australia's first national food plan to help achieve its vision of a sustainable, globally competitive, resilient food supply that supports access to nutritious and affordable food. The government is now developing a green paper, which will outline how current policy addresses food issues as well as discuss any potential changes the government might consider to policy, programs and governance arrangements. Feedback on the green paper will inform the national food plan, to be released as a white paper, which will be a significant policy statement that acts as a platform for better outcomes for our food sector and the community. The issues paper and further information on the development of a national food plan are available on the department's website at [www.daff.gov.au/nfp](http://www.daff.gov.au/nfp).

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 103

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Food Security

**Proof Hansard page:** Written

**Senator COLBECK asked:**

What consideration has been given to nutritional security and the fact that Australia needs to have a reliable affordable supply of more a range of food sources, not just wheat and beef?

**Answer:**

The Australian Government recognises that while Australia is food secure, some individuals, such as those in remote communities or on low incomes, can face difficulties with access and affordability of healthy food.

Australian Government measures to improve nutritional security include providing support for the disadvantaged through the income support system, and engaging in number of activities that aim to improve nutrition awareness and promote healthy eating.

The Australian Government is developing a national food plan, which aims to foster a sustainable, globally competitive, resilient food supply that supports access to nutritious and affordable food. To achieve this outcome the government proposes to focus on a number of objectives, helping the government better integrate what it already does and help identify if and where a better approach might be needed. This includes reducing barriers to a safe and nutritious food supply that responds to the evolving preferences and needs of all Australians and supports population health.

In its response to the Review of Food Labelling Law and Policy, the Legislative and Governance Forum on Food Regulation supported the recommendation that a comprehensive national nutrition policy be developed as a priority. This work will be developed in the framework of the governments' preventative health agendas and the national food plan.

Australia is in the fortunate position of producing significantly more food than we consume. In recent years we have been able to export more than half of our food production, depending on crop sizes, while still ensuring that about 98 per cent of fresh produce sold in Australian supermarkets is domestically grown and supplied.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 114

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Regional Food Producers Program

**Proof Hansard page:** Written

**Senator COLBECK asked:**

1. With regard to the Regional Food Producers program further details of the money returned by the macadamia nut industry are required. During estimates it was reported that from a \$1.76 million project only \$0.193 was spent and that therefore \$1.574 million was returned. Does the money returned included interest?
2. If the \$1574 returned to the government does not include interest, why did the macadamia nut industry return \$7000 more than the funds remaining for this project?
3. What is the government policy on interest earned on monies held by project proponents?
4. Has the government considered introducing marketing levies on imported products which effectively benefit from domestic marketing initiatives funded by grower levies? Please provide details of the considerations.

**Answer:**

1. The Macadamia Processing Company (MPC) was awarded up to \$1 767 251 under Round 2 of the Regional Food Producers Innovation and Productivity Program (RFPIPP) to develop new macadamia shelling technology that reduces kernel damage and increases high quality yields. MPC encountered project difficulties, which led to a funding deed variation in January 2011. The variation reduced MPC's maximum grant funding from \$1 767 251 to \$192 758; a reduction of \$1 574 493.

RFPIPP funding is not paid up-front; it is paid retrospectively upon acquittal of project expenditure and represents a reimbursement of expenditure made by the proponent. MPC had not received funds and therefore had no scope to accrue interest.

2. The figures presented in Additional Estimates were rounded, leading to the perceived \$7000 anomaly. The actual funding amount was \$1.767 million, not \$1.76 million.
3. The RFPIPP involves reimbursement of funds expended by grantees, so it is not possible for grantees to accrue interest on grants.

The Commonwealth Grant Guidelines provide a principles based framework for the administration of Commonwealth grants, including the principle of achieving value with public money. Treatment of interest earned on grant monies held by individual grant recipients is considered on a case by case basis with these principles in mind and consistent with the terms of the relevant grant agreement.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 114 (continued)

4. The extension of a statutory marketing levy to include imported products would require the majority support of affected produce importers. The government's *Levy principles and guidelines* includes guidance to industry on the required process for establishing levies or changing levy rates and can be downloaded from the Department of Agriculture, Fisheries and Forestry's website at [www.daff.gov.au/agriculture-food/levies/publications](http://www.daff.gov.au/agriculture-food/levies/publications). At present there is only one import charge. The *Forest Industries (import)* charge is applied to forest products (logs and processed wood) imported into Australia. It is equivalent to the domestic forest industries products levy and export charge. The charge can be used to fund generic marketing and Research and Development activities.

In considering any request by industry to include imported products under statutory levy arrangements, the government would take into account whether any proposed marketing levy on imports was consistent with our obligations as a member of the World Trade Organization (WTO). There are a number of WTO principles an import levy would need to meet, including the fundamental requirement that a levy should not impede market access. In addition:

- 'National treatment' rules require that any levy on imports and associated levy collection charges need to be applied at the same rate and under the same conditions as the levy on domestic produce.
- Monies raised through any marketing levy should not be used for promoting domestic products for which imported products would not derive equal benefit. Rather monies should be used to either promote the product more generically or used in proportion to funds collected from Australian product and imported product.
- Funds raised from any levy on imports should not be used for the marketing of Australian exports of the product.
- Both domestic and imported product would need to derive equal benefit from any marketing levy.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 100

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Meat Processing in Northern Australia

**Proof Hansard page:** Written

**Senator MACDONALD asked:**

1. Is the Federal Government investing any funding into studies regarding the future of the northern beef industry?
2. If so, what agencies are undertaking these studies?
3. Will these studies include consultation with stakeholders from across Northern Australia?
4. When are these studies expected to be released?

**Answer:**

1. Yes.
2. The Department of Regional Australia, Local Government, Arts and Sport (DoRA) is responsible for coordinating the delivery of the Northern Australia Sustainable Futures Program (NASF), which includes the development of the Northern Australia Beef Industry Strategy. The Department of Agriculture, Fisheries and Forestry (DAFF), the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and the CSIRO participate as lead agencies. A list of projects and lead agencies is at **Attachment A**.
3. Yes.
4. The Indigenous engagement in the northern pastoral industry project is in progress. The final report under the *assessment of risks and opportunities* project will be made publicly available on the department's website when released in 2012. The *meat processing capacity in northern Australia* project will draw on existing state and territory government feasibility studies and is expected to commence shortly.

**Rural and Regional Affairs and Transport Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 100 (continued)

**Attachment A**

**Northern Australia Beef Industry Strategy**

<b>Project</b>	<b>Theme</b>	<b>Description</b>	<b>Funding</b>	<b>Lead agency</b>
Northern Australia Beef Industry: Assessment of risks and opportunities	Leadership engagement	Examining opportunities for, and constraints to, the diversification and growth of the northern beef & meat processing industries.	DoRA \$250 000	ABARES
Livestock Industry Logistics: Optimising industry capital investment and operations	Infrastructure provision	Identifying potential productivity improvements across the northern beef industry through an analysis of the livestock industry value chain.	DoRA and States \$500 000	CSIRO
Meat processing capacity in northern Australia	Infrastructure provision	Consolidate previous & current assessments of the commercial viability of meat processing in northern Australia	DoRA and States \$100 000	DAFF
Mosaic agriculture in northern beef production systems	Understanding the resource base	Potential application of mosaic agriculture in northern beef production systems.	DoRA & CSIRO \$1.2 m	CSIRO
Indigenous engagement in the northern pastoral industry	Capacity building	Increasing indigenous engagement in the northern pastoral industry	DAFF \$500 000	DAFF

**Recent additional projects under the Northern Australia Sustainable Futures Program – Northern Queensland Irrigated Agriculture Strategy**

North Queensland Irrigated Agriculture Strategy	Understanding of the resource base	Feasibility, viability and sustainability of developing surface water resources in northern Australia	DoRA \$6 m DEEDI \$3 m CSIRO \$800 000	CSIRO DoRA
Viability of meat processing in northern Queensland	Infrastructure provision	Study to establish the viability of establishing a meat processing facility in North Queensland.	DoRA \$100 000	DoRA

DoRA: Department of Regional Australia, Local Government, Arts and Sport

DEEDI: Queensland Department of Employment, Economic Development and Innovation

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 121**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** What The World Wants From Australian Wheat

**Proof Hansard page:** Written

**Senator EDWARDS asked:**

What The World Wants From Australian Wheat Report

1. Could the department please outline how the money was awarded for this project
  - a. Was there a tender process?
  - b. If so, please describe the tender process.
2. The department co-funded this report. How much did the department contribute to the funding of the report? How much did Grain Growers contribute to the funding of the report?
3. What were the 'deliverables' for this report?
4. How did the department measure the success of this project?
5. Has the department received any complaints about this project?
  - a. If so what were they?
  - b. Who were they from?
  - c. Is there any further consultation planned?
6. What does the department see as being the primary benefit to the grain industry from this report?

**Answer:**

1. Grain Growers Limited (formerly Grain Growers Association Limited) was awarded up to \$350 000 under Round 1 of the Promoting Australian Produce program on 27 July 2009. The Promoting Australian Produce program sought and accepted applications through a formal funding round process, which were assessed against the program's eligibility and merit criteria.
  - a. No. Funding for the project was not awarded through a tender process; Grain Growers Limited applied for funding under the Promoting Australian Produce program in response to a public call for project applications.
  - b. N/A
2. Promoting Australian Produce was a matched-funding program; Grain Growers Limited contributed \$293 354 and thus received \$293 354 to undertake the project.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 121 (continued)

3. Grain Growers Limited's project had two objectives: to detail the needs of Australia's wheat customers and to build industry capacity to promote the Australian wheat brand. The updated "What the World Wants from Australian Wheat" publication was a key deliverable for the project.
4. Grain Growers Limited's project was completed and acquitted in June 2011. The objectives listed in the funding deed were met, and an independent audit report confirmed that program funding was spent in accordance with the grant funding deed.
5. The department has not received any complaints about this project
  - a. N/A
  - b. N/A
  - c. The project has been completed; no further consultation is planned.
6. The report has provided industry with an in-depth, up-to-date analysis of the expectations of domestic and international wheat buyers, which will help industry to better meet those expectations.



**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 130**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic: Genetically Modified Wheat**

**Proof Hansard page:** Written

**Senator HEFFERNAN asked:**

The Grain Growers report 'What The World Wants From Australian Wheat' found that "Genetically modified (GM) wheat ... is still widely regarded as not acceptable," in all our wheat export and domestic markets "for the foreseeable future." In view of this will the Department outline and provide the following information:

1. What economic studies the government will undertake on the impacts of the planned release of commercial GM wheat on export trade and local sales of wheat and other grain products?
2. What is the effect that the release of GM wheat would have on Australian farmers and the Australian economy? Please provide DAFF's policy.
3. When will such economic studies be published and presented to the parliament, farmers and Australian citizens for open public discussion and debate?
4. In light of likely long-term market resistance to commercial GM wheat here and abroad, when will DAFF commission a review of publicly funded GM wheat research and development?
5. In particular, when will DAFF commission a study of the costs and benefits of public R&D resources spent on GM wheat over the past 10 years, taking into account the poor prospects world-wide of marketing GM wheat?
6. Will the government sign and ratify the Cartagena Biosafety Protocol to the United Nations convention on Biological Diversity (already ratified by some 160 countries), before any commercial licensing of GM wheat? If yes, when? Please provide details.

**Answer:**

1. The environmental release of any genetically modified (GM) crop in Australia is illegal unless authorised by the Gene Technology Regulator (the Regulator). There has been no commercial release of GM wheat in Australia, nor have there been any applications for the commercial release of GM wheat submitted to the Regulator. Any future approval for GM wheat for commercial production would be subject to the mandatory assessment processes in respect of protection of human health and the environment required under the *Gene Technology Act 2000*.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 130 (continued)**

2. Biotechnology, including the development of genetically modified crops, can assist in increasing agricultural productivity in the face of climate change, resource constraints and the pressures of providing a secure food supply. In its 2008 study of the economic impacts of GM crop adoption in Australia, including on-farm costs and benefits, Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) found that genetic modification of crops is delivering significant cost savings to farmers in other countries. Benefits include increased crop yield, reduced farm input costs, including pesticide, herbicide and farm labour, and more efficient farm management.

The Australian Government's existing national framework for management and regulation of GM crops and food includes careful scientific assessment of human health and environmental risks. Decisions on whether to allow genetically modified crop production in part or all of a state or territory are a matter for that jurisdiction. The department supports Australian farmers' right to choose which crops they will plant. Farmers may grow traditional or modern, conventionally bred plant varieties or approved varieties with genetically modified traits, as long as these varieties have been assessed as safe for humans and the environment. Ultimately, the uptake of GM crops will be determined by the benefits they offer relative to the costs of adoption and will be subject to normal market forces.

3. ABARES has produced a number of analyses of market acceptance of GM grains including:
  - a. 2010, Evidence of price premiums for non-GM grains in world markets. ABARE Conference Paper 10.04, Canberra, February.
  - b. 2008, Economic impacts of GM crops in Australia. ABARE Research Report 08.4, Canberra.
  - c. 2007, Challenges for agricultural markets: coexistence, segmentation of grain markets, costs and opportunities. ABARE Conference Paper 07.9, Canberra.
  - d. 2007, Market Acceptance of GM Canola, ABARE Research Report 07.5 prepared for the Australian Government Department of Agriculture, Fisheries and Forestry, Canberra, March.
  - e. 2003, Market Access Issues for GM Products: Implications for Australia, ABARE eReport 03.13 to the Department of Agriculture, Fisheries and Forestry — Australia, Canberra, July.
  - f. 2001, Genetically Modified Grains: Market Implications for Australian Grain Growers, ABARE Research Report 01.10, Canberra.
4. Studies conducted by ABARES on GM crops, outlined above, have found that GM crops do not appear to be disadvantaged in domestic and world markets and that generally world grains markets for which there are GM variants are dominated by GM grains. The department has no plans to commission a review of publicly funded GM wheat research.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 130 (continued)

5. See answer to question 4.
6. Accession to the Cartagena Biosafety Protocol is not being considered by the government at this time. Australia has in place a robust domestic regulatory framework for genetically modified organisms to ensure a high level of protection to the environment and human health, including the *Gene Technology Act 2000* administered by the Office of the Gene Technology Regulator.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 206

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Food Labelling

**Proof Hansard page:** Written

**Senator RHIANNON asked:**

The Australia and New Zealand Food Regulation Ministerial Council released their review of the Blewett Labelling Review late last year. Where consumer values issues relating to food production method labelling was concerned, the Council considered in the main that self-regulation was the best way forward.

1. Are there any plans for further national steps to be taken on food labelling reform?
2. For example, would you consider legislating to achieve labelling that meets consumer expectations?

**Answer:**

1. Yes. Implementation of the response by the Legislative and Governance Forum on Food Regulation (FoFR), formerly the Australia and New Zealand Food Regulation Ministerial Council to *Labelling Logic*, the report of the independent Review of Food Labelling Law and Policy (the Blewett Review), will require ongoing collaboration over the next five years by the three tiers of Australian government, the food industry, consumers, relevant stakeholder groups, and experts in a range of fields.
2. In considering its response to the Blewett Review recommendations about the highly diverse range of consumer values issues such as the welfare of animals, religious beliefs, environmental issues, human rights and methods of production, FoFR recognised the value of current industry self-regulatory measures including the development of voluntary codes of practice, certification regimes and voluntary standards.

The FoFR will work with agencies from the relevant COAG councils and fora – the Primary Industries Standing Council and the Legislative and Governance Forum on Consumer Affairs – to consider ways to improve transparent operation and reporting from these self-regulatory mechanisms on issues or failures as they relate to food labelling. This will provide a more informed basis for the FoFR and governments to become aware of systemic failures that may warrant government action. Government intervention is more likely to take the form of assisting or facilitating responsive industry self-regulation rather than developing new mandatory requirements.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Agriculture Productivity**

**Question: 207**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** Factory Farming and the Environment

**Proof Hansard Page:** Written

**Senator Rhiannon asked:**

1. The DAFF Budget makes appropriation for almost \$75,000 in payments to the industry marketing body under the *Australian Meat and Livestock Industry Act 1997* (Cth). This compares to \$24,000 in payments to the industry research body under the same Act. With climate change and feeding our planet two very important issues, wouldn't it be of greater benefit to the Australian public for DAFF to appropriate a greater amount to industry research into such issues, rather than investing so much into marketing environmentally damaging products? If not, why not?
2. Is DAFF considering appropriating more funds to research in these issues? If not why not?

**Answer:**

1. \$75.786 million was appropriated in 2011–12 under clause 63(2) of the *Australian Meat and Livestock Industry Act 1997* (the Act) for payment to Meat and Livestock Australia Limited (MLA) for industry marketing levies and \$24.293 million was appropriated under clause 64(2) of the Act for payments to MLA for research and development levies. These levies are collected from producers by the Commonwealth of Australia.

\$44.872 million was appropriated in 2011–12 under clause 66(1) of the Act for Commonwealth matching payments to MLA for eligible research and development expenditures. The Commonwealth does not provide any matching funding for marketing or promotion activities under the Act.

Total funds available to MLA for research and development in 2011–12 year are estimated at \$89.744 million comprising the Commonwealth contribution of \$44.872 million which matches on a dollar for dollar basis the \$24.293 million from producer levies and an estimated \$20.579 million from voluntary contributions from other sectors of the industry including the meat processors and livestock exporters.

Increases in research levies are a matter for individual red meat industries. There is currently no proposal to increase the Commonwealth's research and development matching contributions under clause 66(1) of the Act.

2. The Commonwealth provides funding through the relevant research and development corporation, MLA, as described above. Priorities for expenditure of these funds are determined by the MLA Board following wide consultation with key stakeholders through its strategic planning process and taking into account the National Rural Research and Development Priorities.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Agriculture Productivity**

**Question: 207** (continued)

In addition to this funding the Commonwealth also funds several significant programs which provide support to industry to adapt to climate change. For example, the Carbon Farming Futures program allocates \$429 million in funding over six years to help farmers and other landholders to benefit from carbon farming.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 209**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic:** National Food Plan

**Proof Hansard page:** Written

**Senator RHIANNON asked:**

DAFF's Budget includes as a program objective 'Support the development of a National Food Plan'.

1. How will DAFF's input into this plan take into account the disproportionate contribution of animal agriculture to climate change, especially in light of DAFF's program objective 1.1 'Tackling Climate Change'?
2. Will DAFF's input into the National Food Plan highlight the broader imperative to move away from intensive animal production in order to mitigate climate change?

**Answer:**

- 1 & 2. The National Food Plan will consider the issues of climate change mitigation and adaptation and their links to sustainable and productive food production along with the full breadth of issues raised by stakeholders.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 212**

**Division/Agency:** APD – Agricultural Productivity Division

**Topic: Funding of Animal Industries**

**Proof Hansard page:** Written

**Senator RHIANNON asked:**

1. What level of funding has the government indirectly expended on supporting or assisting the Australian pig meat industry? Please provide a breakdown of figures as to the areas/producers/organisations to which the support was directed.
2. What level of funding has the government indirectly expended on supporting or assisting the Australian chicken meat industry? Please provide a breakdown of figures as to the areas/producers/organisations to which the support was directed.
3. What level of funding has the government indirectly expended on supporting or assisting the Australian feed lotting industry? Please provide a breakdown of figures as to the areas/producers/organisations to which the support was directed.
4. How much funding does DAFF allocate / provide for the marketing, promotion, maintenance and development of Australia's kangaroo industry in Australia and overseas?

**Answer:**

The Australian Government provides direct support for the pig meat, chicken meat and feed lotting industries through the collection of levies and the payment of Commonwealth matching funds for Research and Development (R&D) expenditure (see answers to questions 1-3 below). The Australian Government also provides indirect support through multi-lateral and bi-lateral negotiations to maintain and improve industry's access to markets, access to competitive, merit based government programs, for example, the Carbon Futures Program and general support for animal health and biosecurity. The government also supports Cooperative Research Centres for pork and poultry.

1. The Australian Government assists the Australian pig meat industry through the collection of levies and the payment of Commonwealth matching funds for R&D expenditure. A breakdown of this support is detailed below. Australian Pork Limited (APL) is responsible for investing in R&D, marketing and promotion in the pig meat industry. For more information on how these funds are allocated across the pig meat industry please refer to APL Annual Reports.



**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question: 212** (continued)

Table 1: Levies and matching funds dispersed to the Australian pig meat industry

<b>Financial Year</b>	<b>Commonwealth Contributions</b>	<b>Industry Levies</b>
2010–11	4 326 465	10 805 939
2009–10	4 035 553	10 481 391
2008–09	2 759 839	10 402 153
2007–08	3 704 529	12 434 509
2006–07	3 361 200	12 086 306

Figures from APL Annual Reports, 2006–07 to 2010–11.

2. The Australian Government assists the Australian chicken meat industry through the collection of levies and the payment of Commonwealth matching funds for R&D expenditure. A breakdown of this support is detailed below. The Rural Industries Research and Development Corporation (RIRDC) is responsible for investing in R&D in the chicken meat industry. For more information on how these funds are allocated across the chicken meat industry please refer to RIRDC Annual Reports.

Table 2: Levies and matching funds dispersed to the Australian chicken meat industry

<b>Financial Year</b>	<b>Commonwealth Contributions</b>	<b>Industry Levies</b>	<b>Total Investments Made by RIRDC</b>
2010–11	1 623 069	1 240 997	3 364 906
2009–10	1 509 513	1 067 593	3 042 735
2008–09	1 651 191	1 104 028	3 316 357
2007–08	1 320 048	1 011 343	2 703 149
2006–07	1 396 244	1 005 771	2 086 134

Figures from RIRDC Annual Reports, 2006–07 to 2010–11.

3. The Australian Government assists the Australian feedlot industry through the collection of levies and the payment of Commonwealth matching funds for R&D expenditure. A breakdown of this support is detailed below. Meat and Livestock Australia (MLA) is responsible for investing in R&D, marketing and promotion in the feedlot industry. For more information on how these funds are allocated across the feedlot industry, please refer to MLA Annual Reports.

Table 3: Levies and matching funds dispersed to the feedlot industry

<b>Financial Year</b>	<b>Commonwealth Contributions</b>	<b>Industry Levies</b>
2010–11	2 206 000	8 469 000
2009–10	1 870 000	7 736 000
2008–09	1 585 000	7 220 000
2007–08	2 129 000	7 812 000
2006–07	2 430 000	9 927 000

Figures from MLA Annual Reports and Annual Operating Plans, 2006–07 to 2010–11.

**Rural and Regional Affairs and Transport Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2012

**Agriculture, Fisheries and Forestry**

**Question:** 212 (continued)

4. The Australian Government assists the Australian kangaroo industry through the collection of levies and the payment of Commonwealth matching funds for R&D expenditure. A breakdown of this support is detailed below. RIRDC is responsible for investing in R&D in the kangaroo industry. For more information on how these funds are allocated across the kangaroo industry please refer to RIRDC Annual Reports. The government does not allocate any funding towards the marketing or promotion of Australia's kangaroo industry in Australia or overseas.

Table 4: Levies and matching funds dispersed to the Australian kangaroo industry

<b>Financial Year</b>	<b>Commonwealth Contributions</b>	<b>Industry Levies</b>	<b>Total Investments Made by RIRDC</b>
2010–11	120 443	50 609	229 219
2009–10	133 485	59 710	282 207
2008–09	151 972	78 758	319 672
2007–08	87 060	85 986	186 635
2006–07	64 146	117 866	139 351

Figures from RIRDC Annual Reports, 2006–07 to 2010–11.