

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 01

Division/Agency: Agricultural Productivity Division

Topic: National Food Plan announcement

Proof Hansard page: 9 (27/05/2013)

Senator HEFFERNAN asked:

Senator HEFFERNAN: I was just curious about the little game you played with the NFF's announcement. You had a little game which came out of the blue. I would be interested to see the paper trail of decision making to make an announcement on the Saturday if you could provide that today.

Senator Ludwig: I will have a look to see what I can help you with, but can I assure you that I make the decision as to the date and it is made not because of any other—

Senator HEFFERNAN: I realise that it would be a political decision, Minister, but I just wondered how far back you could have made it.

Senator Ludwig: Clearly before the budget was developed, because it had not been announced at that point. I am happy to try to find a date.

Answer:

The Minister wrote to the Prime Minister proposing a 25 May 2013 launch of the National Food Plan on 8 May 2013. The Prime Minister agreed in writing on 16 May 2013.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 02

Division/Agency: Agricultural Productivity Division

Topic: Onions

Proof Hansard page: 94 (27/05/2013)

Senator COLBECK asked:

Senator COLBECK: My question is about onions leaving the national residue survey. Is that actually happening?

Mr Read: I am not aware of the status of onions, sorry. I will take advice on that.

Senator COLBECK: My understanding is that they are looking to leave. Can you advise me of the process for them formally ceasing to be part of the NRS?

Mr Read: Again, I will need to take that on notice. If they are legislated in terms of levy collections there will obviously be a need to adjust those regulations in terms of the levy to give effect to that particular decision by the industry. But, again, I will just need to go back and take detailed information around the process exactly to exit an industry from that current levying and surveying arrangements.

Answer:

Horticulture Australia Limited wrote to the Department of Agriculture, Fisheries and Forestry on 15 November 2012 forwarding a submission from Onions Australia for amendments to onion related levies and export charges. Included in the submission is a proposal to decrease the levy and export charge for the National Residue Survey (NRS) from the current rate of \$0.40 per tonne to zero (\$0.00 per tonne). Under the proposal, NRS onion levy income would fall to zero and the NRS onion residue monitoring program would be discontinued.

Decreasing the NRS onion levy and export charge to zero would require amendments to the Primary Industries Levies and Charges (National Residue Survey Levies) Regulations 1998.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 03

Division/Agency: Agricultural Productivity Division

Topic: Levies

Proof Hansard page: 94 (27/05/2013)

Senator COLBECK asked:

Senator COLBECK: My understanding was that this process was expected to be finalised before August. So, they have been through the process of taking the vote on the levy. You are confirming the concerns of the industry that documentation is slowly making its way around the agency. If you as head of the program do not understand that they are looking to leave, it perhaps confirms that that is the case. There has been about \$100,000 of levy money collected from growers. They are interested to know what is going to happen to that and what the potential costs of winding up the program might be, and where that is going to come from—and what happens to the rest of the levy that is sitting in the scheme; is it returned to industry, or where does it go?

Mr Read: I will have to take that on notice.

Answer:

At 30 April 2013, the National Residue Survey (NRS) onion reserve was \$129 783. If the NRS levy on onions is reduced to zero, the NRS onion residue monitoring program will continue until the NRS onion reserves are exhausted. NRS will continue to work closely with Onions Australia on the status of the NRS onion reserves and will provide advance warning on when sampling and analysis under the program should cease.

The proposal to reduce the NRS levy on onions to zero is one part of a package of proposed changes to onion levies. Costs associated with the package would be shared between the NRS and other levy recipient bodies. The department estimates NRS's share of costs would be up to \$1000. This does not include costs associated with registering regulatory changes with the Federal Register of Legislative Instruments.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 04

Division/Agency: Agricultural Productivity Division

Topic: Onions

Proof Hansard page: 96 (27/05/2013)

Senator COLBECK asked:

Senator Ludwig: I have been listening quietly. Whereabouts in the department did they bring it. Because the response here does not seem to be helpful. If it has been brought to the department I want to find out why the department does not seem to know about it.

Senator COLBECK: I would be interested to know that, too. My understanding is that they have actually been in your office, as well, because they have been in mine. This process has been going on since April last year.

Mr Glyde: We can find out overnight, in terms of where things are up to, and try to give you that. At least find out whether or not we are aware of the issue.

Answer:

Horticulture Australia Limited wrote to the Department of Agriculture, Fisheries and Forestry on 15 November 2012, forwarding a submission from Onions Australia (OA) for amendments to onion related levies and export charges.

The submission asks the Australian Government to:

- i. increase the levy and export charge for research and development from \$1.60 per tonne to \$2.90 per tonne of hard onions
- ii. decrease the levy and export charge for the National Residue Survey from \$0.40 per tonne to zero (\$0.00 per tonne)
- iii. introduce a levy and export charge for marketing at a rate of \$1.00 per tonne
- iv. establish an Emergency Plant Pest Response levy and export charge set at zero (\$0.00 per tonne); and
- v. establish a Plant Health Australia membership levy/charge of \$0.10 per tonne.

In accordance with the government's *Levy principles and guidelines*, an objection period for the levy proposal commenced on 12 December 2012 and concluded on 1 February 2013.

No objections were received. OA's proposal is being considered in line with government protocols which require the preparation of a Regulation Impact Statement, the agreement of the Treasurer and support of the Prime Minister, the drafting of legislative instruments and the approval of these and associated documents by the Minister/Parliamentary Secretary and the Federal Executive Council.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 05

Division/Agency: Agricultural Productivity Division
Topic: Australian Food and Beverage Supplier Advocate
Proof Hansard page: 113 (28/05/2013)

Senator COLBECK asked:

Senator COLBECK: That is okay. I will be there next week. How will that differ from Austrade? Do you know what the advocate will do, what the role will be?

Ms Evans: I am not aware of exactly what the role will be. They have a number of advocates. This is just one of those, a new one they have announced. We can certainly obtain some details for you on notice, if you like.

Answer:

The Food and Beverage Supplier Advocate will work collaboratively with firms, industry associations and government agencies to lead the formulation and implementation of an industry development strategy. The strategy will be underpinned by practical activities which enhance the capabilities and capacity of Australian suppliers and increase their access to domestic and international opportunities. The Food Supplier Advocate will be appointed on a part-time basis and work at a strategic level, leveraging their professional networks and business acumen.

Supplier Advocates work closely with Austrade and utilise their network to assist groups of Small Medium Enterprises access opportunities and participate in international trade missions. Advocates also improve linkages and complement programs such as Enterprise Connect, Commercialisation Australia and the state-based Industry Capability Network.

The Food and Beverage Supplier Advocate will be funded through the *Opening up opportunities through Australian Industry Participation* initiative, announced on 17 February 2013 in *A Plan for Australian Jobs*, the Australian Government's Industry and Innovation Statement. Advocates are provided with remuneration of \$1100 per day (including GST), in addition to travel and reasonable direct costs. Each Advocate is supported by about one and a half full-time staff members within the Department and has a budget of approximately \$500 000 per year to partner with industry and deliver projects which are aligned with their industry development strategies.

* Information supplied by the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCS RTE). See DIICCS RTE answer to question BI-119.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 06

Division/Agency: Agricultural Productivity Division

Topic: Research & Development

Proof Hansard page: 120 (28/05/2013)

Senator RUSTON asked:

Senator RUSTON: That was my question. What is research and development and what is acceptable under the guidelines?

Mr Koval: We have definitions around that—what we would match under research and development, what is marketing and what things are acceptable under both. We can provide examples of those definitions for you.

Senator RUSTON: Yes.

Mr Koval: We match eligible R&D expenditure, and that is the matching funding we provide. This year we are talking about \$239 million roughly, for 2013-14. That is approximately the matching expenditure.

Senator RUSTON: Can I just clarify that all of the matching funding that is provided by government only goes against projects that are specifically research and development projects.

Mr Koval: A small proportion of that under the cost allocation model is about administration of those projects. But we can provide some of that breakdown for you on notice, if you like.

Answer:

1. Research and development (R&D) is a defined term under the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act), which governs the six statutory research and development corporations (RDCs), and under respective statutory funding agreements (SFAs) for the nine industry owned RDCs. In addition the Act and these agreements define what constitutes R&D Activity.

The PIERD Act defines R&D as:

research and development, in relation to a primary industry or class of primary industries, means systematic experimentation and analysis in any field of science, technology or economics (including the study of the social or environmental consequences of the adoption of new technology) carried out with the object of:

- (a) acquiring knowledge that may be of use in obtaining or furthering an objective of that primary industry or class, including knowledge that may be of use for the purpose of improving any aspect of the production, processing, storage, transport or marketing of goods that are the produce, or that are derived from the produce, of that primary industry or class; or
- (b) applying such knowledge for the purpose of attaining or furthering such an objective.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 06 (continued)

And R&D Activity as:

R&D activity, in relation to a primary industry or class of primary industries, means:

- (a) an R&D project in respect of that industry or class; or
- (b) the training of persons to carry out research and development in respect of that industry or class; or
- (c) the dissemination of information, or the provision of advice or assistance, to persons or organisations engaged in any aspect of:
 - (i) that industry or class; or
 - (ii) the production, processing, storage, transport or marketing of goods that are the produce, or that are derived from the produce, of that industry or class; for the purpose of encouraging those persons or organisations to adopt technical developments designed or adapted to improve that aspect of the industry or class, or that production, processing, storage, transport or marketing; or
- (d) the publication of reports, periodicals, books or papers containing information that is related to research and development in respect of that industry or class; or
- (e) an activity incidental to an activity referred to in paragraph (a), (b), (c) or (d).

The definitions under the SFAs are consistent with these definitions and can be viewed at the websites for those RDCs.

2. Commonwealth Matching funding is only available for eligible R&D activities. Any activity incidental to R&D activities, such as administration, may be considered eligible R&D. SFAs require the industry owned RDCs to have in place a Cost Allocation Policy outlining how direct and indirect costs are allocated across R&D and Marketing programs to ensure that matching funds are not applied to marketing activities. Statutory RDCs are currently unable to undertake marketing activities.

The 2011 Productivity Commission Inquiry Report into Rural Research and Development Corporations examined differences in administrative overheads for a subset of RDCs, see Box 5.5 on page 120 of the report. The report is available at: www.pc.gov.au/projects/inquiry/rural-research/report.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 09

Division/Agency: Agricultural Productivity Division

Topic: National Produce Monitoring System

Proof Hansard page: Written

Senator COLBECK asked:

What products will the National Produce Monitoring pilot be focussing on? Is it just horticulture?

What was the driver for this program? Why do we need it when the risk of MRL breach is generally accepted to be very low?

How will the program work? How will it interface with FreshTest for example?

Who will be administering the program? (NRS??)

Budget Paper 2 doesn't show any additional expense for this program, so are costs being absorbed into the existing DAFF budget?

If so, where are the savings being made to afford ~\$5 million a year?

Please explain why this issue couldn't be addressed by putting the money toward resourcing and improving the Minor Use Permit system rather than more residue testing, duplicating tests done for commercial reasons?

Answer:

1. The National Produce Monitoring pilot will be focusing on gaps in current monitoring arrangements. The program will include a range of produce and is likely to include numerous products in the horticulture sector.
2. The new program will inform efforts to further harmonise the single national framework for the regulation of chemicals to ensure the sustainable use of agricultural chemicals and veterinary medicines (agvet chemicals). All states and territories indicated a desire for increased monitoring to fill in the current gaps in monitoring and to harmonise existing efforts.
3. The program, in consultation with growers and regulators, will develop a priority list of specific crops and/or agvet chemicals for monitoring using a rigorous methodology. Should the results from the program indicate a need for intervention, the appropriate regulator will

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 09 (continued)

be informed to respond appropriately. Results from the program will be published regularly in a similar format to the National Residues Survey (NRS).

The program will build on existing industry and government-run schemes. Data from existing industry-based monitoring programs (such as FreshTest) will be considered in the development of testing priorities (i.e. what crops and/or agvet chemicals are considered high risk/require assessment). This will ensure efficient targeting of testing of particular commodities. Together with NRS and industry information, the program will provide a nation-wide picture of chemical residue information, which the state/territory regulators and the Australian Government can use to inform further development of their risk management policies.

4. The program will be administered by a new section in the Agricultural Productivity Division. The program will work closely with the NRS to limit unnecessary costs and duplication.
5. Costs are being borne out of the existing Caring for our Country funds.
6. The intention of the program is not to duplicate efforts of existing programs. The commercial testing that is done, while providing assurance of good agricultural practice, is not always applied consistently across jurisdictions. This makes it difficult to base decisions about future regulatory arrangements. The purpose of the program is to inform consideration of further harmonisation of the regulation of agricultural chemicals by the relevant authorities. It will provide a comprehensive picture of the result of the current approaches to controlling minor uses of agvet chemicals and may assist the Australian Pesticides and Veterinary Medicines Authority to transfer some uses onto product labels.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 10

Division/Agency: Agricultural Productivity Division

Topic: Gillard Plan for Australian Agriculture

Proof Hansard page: Written

Senator COLBECK asked:

Growcom pointed out in 2012 that if “food production can be doubled by 2050, we will be able to feed the projected population of Australia and less than 1.3% of the projected Asian population”. Is it correct for the Prime Minister and the Minister to continue to imply that Australia can feed the world?

Answer:

The National Food Plan is a statement of policy direction by government and notes that Australia currently produces enough food to feed around 60 million people. The National Food Plan states that “Australia will never be able to put food on every table in Asia, but an expanding Asian middle class offers an important opportunity for Australia’s food industry.”

The 2025 policy goals to increase the value of Australia’s agriculture and food-related exports by 45 per cent and increase productivity by 30 per cent will help Australian exporters feed more people globally. The National Food Plan also states that we need to use our skills and advantages to help people in developing countries increase their capacity to grow food.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 11

Division/Agency: Agricultural Productivity Division

Topic: Small grants for community food groups

Proof Hansard page: Written

Senator COLBECK asked:

Why is DAFF putting money into community gardens and city farms?

What are the “food rescue activities” that are eligible for up to \$25K?

Answer:

The objectives of the Australian Government’s Community Food Grants program, which includes funding for community gardens and city farms, are to:

- Use community food initiatives to build social networks, community cohesion and resilience, and connect farmers and consumers.
- Improve people’s knowledge about food production and preparation to encourage the adoption of healthy diets.
- Improve people’s knowledge of food production and agriculture in urban areas.
- Help provide surplus safe and nutritious food to disadvantaged groups.

Under the *Community Food Grants 2013-14 Applicant guidelines* grants of up to \$25 000 are available for food rescue activities such as groups who collect surplus safe and nutritious food from retailers and redistribute it to disadvantaged members of the community.

Rural and Regional Affairs and Transport Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2013
Agriculture, Fisheries and Forestry

Question: 12

Division/Agency: Agricultural Productivity Division

Topic: Game and “exotic” meats in WA

Proof Hansard page: Written

Senator MACDONALD asked:

1. Has the department recorded/identified a contraction of the game meats industry in Western Australia?
2. Has the department tracked any similar contraction in other states?
3. How many producers have ceased operation in this sector since 2011/12?

Answer:

Yes. Western Australia’s main game meat industry is kangaroos. There is virtually no commercial game pig industry or farmed emu industry in Western Australia.

The number of kangaroos harvested for human consumption in Western Australia have declined from a peak of 95 922 in 2005–06 to almost nothing in 2011–12. The number of kangaroos harvested for pet food in Western Australia was 91 078 in 2011–12, down from a peak of 165 597 in 2004–05.

According to data from the Australian Bureau of Statistics (ABS), the value of exports of kangaroo products (meat and hides and leather) from Western Australia was \$166 000 in 2011–12, down from the record of \$3.6 million in 2005–06.

The number of kangaroos harvested in 2011–12 in all states and territories other than Western Australia was 1.68 million, down from the record of 3.3 million in 2002–03.

According to Australian Bureau of Statistics data, the value of Australian exports of kangaroo products (meat and hides and leather) from all states and territories other than Western Australia was \$33.2 million in 2011–12, around one-third of the record of \$97.1 million in 2002-03.

The Department of Agriculture Fisheries and Forestry does not maintain records on the number of producers of game meat.