

The Senate

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Rural and Regional Affairs  
and Transport  
Legislation Committee

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Budget estimates 2018–19

June 2018

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# Membership of the committee

## Members

Senator Barry O'Sullivan, Chair	Queensland, NATS
Senator Glenn Sterle, Deputy Chair	Western Australia, ALP
Senator Richard Colbeck	Tasmania, LP
Senator Slade Brockman	Western Australia, LP
Senator Malarndirri McCarthy	Northern Territory, ALP
Senator Janet Rice	Victoria, AG

## Senators in attendance

Senator Eric Abetz  
Senator Fraser Anning  
Senator Andrew Bartlett  
Senator Carol Brown  
Senator David Bushby  
Senator Anthony Chisholm  
Senator Don Farrell  
Senator Alex Gallacher  
Senator Peter Georgiou  
Senator Stirling Griff  
Senator Sarah Hanson-Young  
Senator Derryn Hinch  
Senator Chris Ketter  
Senator David Leyonhjelm  
Senator Sue Lines  
Senator Steve Martin  
Senator Jenny McAllister  
Senator Nick McKim  
Senator Claire Moore  
Senator Rex Patrick  
Senator Lee Rhiannon  
Senator Lisa Singh  
Senator Amanda Stoker  
Senator Tim Storer  
Senator Anne Urquhart  
Senator Murray Watt  
Senator Peter Whish-Wilson  
Senator John Williams

## **Secretariat**

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# Chapter 1

## Introduction

1.1 On 8 May 2018, the Senate referred the following documents to the Rural and Regional Affairs and Transport Legislation Committee (the committee) for examination and report:

- particulars of proposed expenditure in respect of the year ending on 30 June 2019 [Appropriation Bill (No. 1) 2018–19]; and
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2019 [Appropriation Bill (No. 2) 2018–19].<sup>1</sup>

1.2 The committee is required to examine the 2018–19 estimates contained in these documents in relation to the Infrastructure, Regional Development and Cities portfolio and the Agriculture and Water Resources portfolio. Following examination, the committee is required to table its report on 26 June 2018.<sup>2</sup>

### **Additional estimates hearings**

1.3 The committee examined witnesses from the Infrastructure, Regional Development and Cities portfolio on 21 and 22 May 2018, and witnesses from the Agriculture and Water Resources portfolio on 23 and 24 May 2018. In addition, the committee conducted a cross-portfolio Murray-Darling Basin Plan matters estimates hearing on 25 May 2018 in accordance with a Senate agreement of 15 November 2017.<sup>3</sup>

1.4 The committee heard evidence from the following senators:

- Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, representing the Minister for Infrastructure and Transport; and
- Senator the Hon Anne Ruston, Assistant Minister for Agriculture and Water Resources, representing the Minister for Agriculture and Water Resources.

1.5 Evidence was also provided by:

- Dr Steven Kennedy, Secretary of the Department of Infrastructure, Regional Development and Cities;
- Mr Daryl Quinlivan, Secretary of the Department of Agriculture and Water Resources;
- Mr Phillip Glyde, Chief Executive of the Murray-Darling Basin Authority;
- Ms Jody Swirepik, Commonwealth Environmental Water Holder; and

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1 *Journals of the Senate*, No. 95, 8 May 2018, p. 3033.

2 *Journals of the Senate*, No. 70, 15 November 2017, p. 2228.

3 *Journals of the Senate*, No. 70, 15 November 2017, p. 2227.

- officers representing the departments and agencies covered by the estimates before the committee.

1.6 The committee thanks the Ministers, departmental secretaries and officers for their assistance and cooperation during the hearings.

### **Questions on notice and Hansard transcript**

1.7 In accordance with standing order 26(9)(a), the committee set 6 July 2018, as the date for the return of written answers or additional information, in response to questions placed on notice during the hearings.

1.8 Written answers and information provided to the committee in response to questions on notice arising from the hearings are tabled in the Senate and posted on the committee's webpage. Links to the Hansard transcripts of these public hearings, and to answers and additional information are also available on the committee webpage at: [https://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/rrat](https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/rrat).

### **Record of proceedings**

1.9 This report does not attempt to analyse the evidence presented during the hearings. However, it does provide a summary of some of the key issues that were covered by the committee for each portfolio.

### **Answers to questions on notice – additional estimates 2017–18**

1.10 The committee undertook additional estimates hearings on 26 and 27 February 2018 for the Infrastructure, Regional Development and Cities portfolio and the Agriculture and Water Resources portfolio. On 2 March 2018, the committee examined cross-portfolio Murray-Darling Basin Plan matters. The committee set 13 April 2018 as the deadline for return of answers to questions on notice.

1.11 The Infrastructure and Regional Development portfolio took 128 questions on notice. The Agriculture and Water Resources portfolio took 212 questions on notice. The Environment and Energy portfolio took 13 questions on notice in the cross-portfolio hearings.

#### ***Timeliness of answers to questions on notice***

1.12 The Infrastructure, Regional Development and Cities portfolio did not submit any responses by the deadline. All responses were provided on 9 and 10 May 2018.

1.13 The Agriculture and Water Resources portfolio did not submit any responses by the deadline. All responses were provided on 10 May 2018.

1.14 The Environment and Energy portfolio submitted ten responses by the deadline. All responses were received by 17 April 2018.

### **Note on references**

1.15 References to the Hansard transcript are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcripts.

## Chapter 2

### **Infrastructure, Regional Development and Cities portfolio**

2.1 This chapter outlines some of the key issues discussed during the hearings for the Infrastructure, Regional Development and Cities portfolio on 21 and 22 May 2018.

2.2 On 21 May 2018, the committee heard from divisions of the Department of Infrastructure, Regional Development and Cities (DIRDC) and portfolio agencies in the following order:

- Inland Rail and Rail Policy Division;
- Australian Rail Track Corporation;
- Surface Transport Policy Division;
- Cities Division;
- Regional Development and Local Government Division;
- Infrastructure Australia;
- Infrastructure and Project Financing Agency; and
- Infrastructure Investment Division.

2.3 On 22 May 2018, the committee heard from divisions of DIRDC and portfolio agencies in the following order:

- Australian Maritime Safety Authority;
- Infrastructure Investment Division;
- National Transport Commission;
- Portfolio Coordination and Research Division;
- Australian Transport Safety Bureau;
- Airservices Australia;
- Civil Aviation Safety Authority; and
- Aviation and Airports Division.

2.4 The following agencies and divisions were released during the course of the hearing without providing evidence:

- Corporate Services Division;
- Western Sydney Unit; and
- WSA Co.

#### **Inland Rail and Rail Policy Division**

##### ***Faster Rail program***

2.5 The committee discussed the *Faster Rail Prospectus* and DIRDC's assessment of applications for funding of business cases. The department advised that the

assessment process included an initial filtering phase against the first-stage criteria. This included identification of transport infrastructure problems and policy challenges, proposed solutions and outcomes, the impact on access and supply of housing, the impact on employment accessibility, and the impact on regional economic activity and development.

2.6 DIRDC advised that 26 proposals had been received, of which approximately half went to the second stage of assessment. This second stage included assessing value for money, financing opportunities, risk assessment and capacity to deliver. DIRDC also advised that in forming a recommendation for government, it consulted with a number of Commonwealth agencies including the Infrastructure and Project Financing Agency, Infrastructure Australia and the Treasury. The three selected consortia will be allocated a portion of \$20 million for which negotiations are ongoing.<sup>1</sup>

2.7 The committee asked the witnesses about the due diligence conducted by DIRDC in its assessment of the faster rail funding applications, particularly around the financial viability of the consortia. The department advised that the assessment of initial applications focused primarily on the expertise of the consortia rather than financial viability, which will be assessed further in the business case.<sup>2</sup>

### ***Location of the Inland Rail line***

2.8 The committee raised concerns regarding the uncertainty of the location of the Inland Rail line. DIRDC advised that the Australian Rail Track Corporation (ARTC) is conducting planning and environmental impact statement processes to narrow down the final alignment. DIRDC noted that as part of this process, the ARTC is engaging with communities through community consultation committees and one-on-one discussions with farmers.<sup>3</sup>

## **Australian Rail Track Corporation**

### ***Intermodal terminals***

2.9 The committee discussed intermodal terminals in the context of Inland Rail, and explored their importance, role and funding. The ARTC told the committee that intermodal terminals provide capacity and operating efficiency, which is critical for Inland Rail.<sup>4</sup>

### ***Inland Rail track alignment***

2.10 The ARTC spoke to the committee about the selection of preferred track alignments in light of community consultation and multi-criteria analyses. The ARTC advised that, while the number of affected landowners is a factor with regard to preferred alignments, the key criteria is that of meeting the service offering for Inland

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1 *Proof Hansard*, 21 May 2018, pp. 5–7.

2 *Proof Hansard*, 21 May 2018, pp. 11–13.

3 *Proof Hansard*, 21 May 2018, pp. 8–9.

4 *Proof Hansard*, 21 May 2018, p. 19.

Rail and the cost of construction. The service offering was developed in conjunction with industry in 2014–15 and consists of transit time required, reliability, and configuration of the trains (axle loads, double-stacked and 1.8 kilometres in length). The committee asked the ARTC specifically about the track alignment between Narromine and Narrabri. The ARTC advised that this corridor of the Inland Rail was selected as a preferred alignment in 2010 and this had been further studied in 2014.<sup>5</sup>

### ***Melbourne to Albury rail line upgrades***

2.11 The ARTC was asked about the upgrade of the Melbourne to Albury rail track. The ARTC told the committee that the Government agreed to invest \$235 million in funding to raise the Melbourne to Albury track to that of Victorian class 2 passenger standard. The ARTC is currently working with the Victorian Government on the final scope of this work and will shortly conduct a community consultation process. The committee sought information on train delays along this track as a result of speed restrictions (due to concerns about track quality and rough riding) and copper wire theft.<sup>6</sup>

## **Surface Transport Policy Division**

### ***Autonomous Emergency Braking***

2.12 The committee discussed the work being conducted by DIRDC in relation to Autonomous Emergency Braking (AEB). The department advised that it will be able to develop Australian design rules once an international standard is in place. DIRDC advised that it is working with the United Nations to establish a technical definition of AEB which will then be incorporated into future Australian design rules.<sup>7</sup>

### ***Road safety investments***

2.13 DIRDC informed the committee of a variety of infrastructure investments that have improved road safety. The department stated that investment into a dual carriageway on the Pacific Highway had reduced fatalities by 50 per cent. The officials also referenced the Black Spot Program and the Heavy Vehicle Safety and Productivity Program as other initiatives directed at improving road safety.<sup>8</sup>

2.14 DIRDC also advised on measures that are aiming to reduce trucking fatalities. The department spoke of the Heavy Vehicle Safety Initiative which considers proposals from industry and regulators to improve safety for heavy vehicles. It highlighted measures included in the safety initiatives work plan, including:

- implementing an expanded network of heavy-vehicle compliance-monitoring camera capability in Victoria, Australian Capital Territory, Queensland and South Australia;

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5 *Proof Hansard*, 21 May 2018, pp. 20–22.

6 *Proof Hansard*, 21 May 2018, pp. 23–25.

7 *Proof Hansard*, 21 May 2018, pp. 26–28.

8 *Proof Hansard*, 21 May 2018, p. 32.

- the rollout of local safe freight networks in higher-than-average heavy-vehicle crash zones;
- the development of a master industry code of practice to be led in partnership with the Australian Trucking Association and the Australian Logistics Council;
- bringing forward the implementation of a reporting service to allow individuals to anonymously report potential heavy-vehicle national law infringements, including a mechanism to enable workers to report company behaviour that could negatively impact safety;
- providing rest stops; and
- developing an evacuation advisory tool for bus operators and drivers in the event of a bus fire.<sup>9</sup>

2.15 The committee discussed other work DIRDC is conducting with the National Heavy Vehicle Regulator. Officials advised the committee that as part of the 2018–19 National Transport Commission review, consideration will be given to whether changes are needed to the fatigue arrangements under the Heavy Vehicle National Law.

2.16 The committee was told that the Commonwealth Government has contributed \$840 000 to fund a research project to monitor the alertness of drivers as they perform tasks consistent with the breaks currently allowed under the Heavy Vehicle National Law. DIRDC has also worked with Austroads to review the National Heavy Vehicle Driver Competency Framework, with particular consideration given to licensing and training requirements for heavy vehicle drivers and assessors.<sup>10</sup>

### ***Electric vehicles***

2.17 The committee questioned DIRDC about its preparations for an expected increase in the uptake of electric vehicles. The department indicated that the Department of the Environment and Energy is responsible for a number of initiatives to support the uptake of electric vehicles, including through the Emissions Reduction Fund and the Clean Energy Finance Corporation. DIRDC informed the committee that it is currently assessing the cost benefits, including reduced fuel usage, as well as the health benefits of electric vehicles.<sup>11</sup>

### **Cities Division**

2.18 DIRDC officials from the Cities Division told the committee that the department has been allocated \$23.5 million over the forward estimates to support the delivery of the national cities agenda.<sup>12</sup>

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9 *Proof Hansard*, 21 May 2018, pp. 32–33.

10 *Proof Hansard*, 21 May 2018, pp. 46–49.

11 *Proof Hansard*, 21 May 2018, pp. 37–38.

12 *Proof Hansard*, 21 May 2018, p. 56.

2.19 The committee sought updates from DIRDC on progress towards various city deals.

### ***Darwin City Deal***

2.20 DIRDC indicated that there is an expectation that the Darwin City Deal will be finalised this calendar year.<sup>13</sup>

2.21 The department stated that it is in discussions with stakeholders in the Darwin region, including the Charles Darwin University, Northern Australia Infrastructure Facility and the Clean Energy Finance Corporation, about a range of projects and initiatives that could form part of the City Deal. It was noted that the Charles Darwin University has signalled interest in moving some of the campus facilities into the centre of the city.<sup>14</sup>

### ***Perth City Deal***

2.22 The Perth City Deal was announced on 27 April 2018. DIRDC noted that the Commonwealth Government has provided funding for the METRONET project through the budget, which the department expects may form part of the future City Deal.<sup>15</sup>

2.23 DIRDC indicated that one of the challenges of the Perth City Deal is working out how best to engage local governments, noting the large number of local councils in the Perth region.<sup>16</sup>

### ***Hobart City Deal***

2.24 DIRDC indicated that the Hobart City Deal should be well progressed by the end of 2018. Departmental officials told the committee that the Government has provided funding in the budget for the Bridgewater Bridge infrastructure proposal which may form part of the City Deal.<sup>17</sup>

2.25 The committee was informed that the Prime Minister, the Hon Malcolm Turnbull MP and the Tasmanian Premier, the Hon Will Hodgman MP have signed a Heads of Agreement which sets out key objectives for City Deal negotiations. These include:

- examining options to facilitate an Antarctic and science precinct at Macquarie Point;
- guiding a coordinated approach to transport planning;
- providing a strategic framework for local councils and the state government for working together on strategic planning outcomes;

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13 *Proof Hansard*, 21 May 2018, pp. 57–58.

14 *Proof Hansard*, 21 May 2018, p. 58.

15 *Proof Hansard*, 21 May 2018, p. 59.

16 *Proof Hansard*, 21 May 2018, pp. 59–60.

17 *Proof Hansard*, 21 May 2018, pp. 61–62.

- examining options to facilitate the University of Tasmania's STEM presence in the city; and
- supporting affordable housing.<sup>18</sup>

2.26 DIRDC stated that Tasmania's Department of State Growth has released a high-level Hobart transport vision, which will help guide more detailed consideration of the development of the City Deal.<sup>19</sup>

### ***Launceston City Deal***

2.27 The department told the committee that the Launceston City Deal will run for a five year period from 2017 to 2022. The Commonwealth Government is providing a total of \$195.33 million to support projects to improve education and job opportunities in Launceston.<sup>20</sup>

2.28 DIRDC informed the committee that the deal was signed at the end of April 2017 with an annual progress report due to be released before the end of this financial year.<sup>21</sup>

2.29 The department provided an update on the progress of some of the projects funded under the City Deal, including the:

- Tamar Estuary Management Taskforce;
- relocation of the University of Tasmania;
- City Heart project; and
- Defence Innovation Hub.<sup>22</sup>

### ***Western Sydney City Deal***

2.30 Officials of the Cities Division told the committee that the Commonwealth Government has committed \$125 million in funding for the Western Sydney City Deal. This funding includes:

- \$60 million for the Western Parkland City Liveability Program;
- \$50 million for the North-South Rail Link business case; and
- \$15 million for the Western Sydney housing package.<sup>23</sup>

2.31 DIRDC also indicated that this funding was part of a broader contribution from the Commonwealth which will also include the development of government

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18 *Proof Hansard*, 21 May 2018, p. 61.

19 *Proof Hansard*, 21 May 2018, p. 63.

20 *Proof Hansard*, 21 May 2018, p. 64.

21 *Proof Hansard*, 21 May 2018, p. 64.

22 *Proof Hansard*, 21 May 2018, pp. 65–66.

23 *Proof Hansard*, 21 May 2018, p. 67.

land, establishment of new government offices and services, and provision of equal funding for the first stage of the North-South Rail Link.<sup>24</sup>

### ***Geelong City Deal***

2.32 DIRDC advised the committee that it expects the Geelong City Deal to be finalised this calendar year.<sup>25</sup>

2.33 Ms Claire Howlett, General Manager in the Cities Division, provided the following information on the deal's progress:

The Geelong City Deal is somewhat unique in that there's been a lot of work done in the Geelong community over the last few years around a list of priority projects for the region. There's a fairly high level of consensus around that list of projects. The City Deal will focus on expansion of the visitor economy for Geelong and the Great Ocean Road and continued diversification of the economy in Geelong as it transitions from a primarily manufacturing based economy to a much more diverse economy.<sup>26</sup>

### ***Townsville City Deal***

2.34 The department told the committee that the Commonwealth has currently committed \$250 million to the Townsville City Deal.<sup>27</sup>

2.35 The committee discussed the next steps listed for the Townsville City Deal in the Townsville City Deal Annual Progress Report, including whether further Commonwealth funding was required for any of the steps.<sup>28</sup>

## **Regional Development and Local Government Division**

### ***Decentralisation of government agencies***

2.36 The committee explored the decentralisation agenda with officials of DIRDC's Regional Development and Local Government Division. They informed the committee that in 2017, all government departments had undertaken an analysis of their functions to determine their suitability for decentralisation. After this analysis was undertaken, the Government identified a number of agencies that may be suitable for decentralisation. Further work will be conducted to determine a final list of agencies for decentralisation.<sup>29</sup>

2.37 The department advised the committee that a number of agencies were identified in the budget for decentralisation. The department explained that 98

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24 *Proof Hansard*, 21 May 2018, p. 67.

25 *Proof Hansard*, 21 May 2018, p. 68.

26 Ms Claire Howlett, Department of Infrastructure, Regional Development and Cities, *Proof Hansard*, 21 May 2018, pp. 68–69.

27 *Proof Hansard*, 21 May 2018, p. 69.

28 *Proof Hansard*, 21 May 2018, pp. 69–71.

29 *Proof Hansard*, 21 May 2018, pp. 72–74.

positions in total have been identified for decentralisation across the following agencies:

- Office of the Registrar of Indigenous Corporations;
- Indigenous Affairs Group Regional Network (Melbourne CBD and Sydney CBD offices);
- Unique Student Identifier Registrar;
- Office of the National Rural Health Commissioner;
- Department of Infrastructure, Regional Development and Cities' Indian Ocean Territories function; and
- Department of Infrastructure, Regional Development and Cities' Inland Rail Unit.<sup>30</sup>

### ***Community Development Grants Programme***

2.38 The committee sought information on the Community Development Grants (CDG) Programme. The department advised the committee that \$160 million was allocated to the CDG Programme in 2017–18 and there are currently 788 funded projects. DIRDC told the committee that the purpose of the CDG Programme is to "construct and upgrade facilities to provide long-term improvements in social and economic viability of local communities".<sup>31</sup>

### ***National Water Infrastructure Development Fund***

2.39 The department provided information regarding the National Water Infrastructure Development Fund, stating that the grant funding is almost fully exhausted and one commitment of \$50 million has been made under the loan facility. The committee asked about funding provided to the Southern Downs Regional Council to conduct a feasibility study for the Emu Swamp Dam. In particular, the committee questioned the department about the outcomes of the initial report and funding shift to the Stanthorpe and Granite Belt Chamber of Commerce.<sup>32</sup>

### ***Regional development programs***

2.40 The committee also discussed progress with regard to the Regional Growth Fund, the Building Better Regions Fund and the Regional Jobs and Investment Package, including conflict of interest reporting by local planning committees and applicants for the funding.<sup>33</sup>

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30 *Proof Hansard*, 21 May 2018, p. 78.

31 Ms Donna Wieland, Department of Infrastructure, Regional Development and Cities, *Proof Hansard*, 21 May 2018, p. 77.

32 *Proof Hansard*, 21 May 2018, pp. 81–83.

33 *Proof Hansard*, 21 May 2018, pp. 78–81, 87–90, 92–103.

## **Infrastructure Australia**

2.41 Infrastructure Australia provided the committee with an update on the Infrastructure Priority List, which identifies over \$55 billion of infrastructure projects and initiatives of national significance. Infrastructure Australia told the committee that eleven out of twelve projects from the 2018 priority list have been funded.<sup>34</sup>

2.42 Infrastructure Australia informed the committee that in June 2019, it will deliver the second Australian infrastructure audit (the first audit was conducted in 2015). It noted that the audit will "provide a nationally consistent evidence base to guide the next phase of Australia's infrastructure development".<sup>35</sup>

2.43 The committee sought information from Infrastructure Australia on the proposal to upgrade the M1 between John Renshaw Drive and Raymond Terrace to motorway standard. Officials told the committee that this proposal is on the Infrastructure Priority List as an initiative but they have yet to receive a business case from the New South Wales Government.<sup>36</sup>

## **Infrastructure and Project Financing Agency**

2.44 The committee explored the various projects for which the Infrastructure and Project Financing Agency (IPFA) has provided advice. Officials told the committee that IPFA is advising on the Snowy transmission solution, Western Sydney City Deal, and the Rookwood Weir dam project, in addition to projects for the Department of Health and the Department of the Environment and Energy.<sup>37</sup>

2.45 IPFA discussed with the committee the kind of support it provides with regard to government projects, including advising on the viability of financing options, how commercial arrangements should be structured, and by assisting in negotiations with state governments and private sector proponents.<sup>38</sup>

## **Infrastructure Investment Division**

2.46 The committee sought information on the funding, timelines, business cases and land acquisitions for a variety of infrastructure projects in each state.

### ***Queensland***

- Bruce Highway upgrades;
- North Coast Line – Beerburrum to Landsborough;
- Cunningham Highway – Yamanto to Ebenezer/Amberley;
- Pacific Motorway upgrades;

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34 *Proof Hansard*, 21 May 2018, pp. 90–91.

35 Mr Philip Davies, Infrastructure Australia, *Proof Hansard*, 21 May 2018, p. 91.

36 *Proof Hansard*, 21 May 2018, pp. 91–92.

37 *Proof Hansard*, 21 May 2018, p. 105.

38 *Proof Hansard*, 21 May 2018, pp. 105–106.

- Ipswich Motorway upgrade;
- Brisbane Metro; and
- Townsville Eastern Access Rail Corridor.

#### ***New South Wales***

- Pacific Highway Coffs Harbour Bypass;
- Nowra bridge;
- WestConnex; and
- Western Sydney Rail.

#### ***Victoria***

- North East Link;
- Monash rail;
- duplication and electrification of the Frankston to Baxter line;
- Princes Highway East completion of the duplication between Traralgon and Sale; and
- Melbourne Airport rail.

#### ***Tasmania***

- Bridgewater Bridge;
- Midland Highway projects;
- Bass Highway upgrades; and
- Hobart Airport roundabout.

#### ***Western Australia***

- METRONET;
- Tonkin Highway Gap upgrade;
- Great Eastern Highway Bypass;
- Mitchell Freeway extension;
- Great Northern Highway projects; and
- Bunbury Outer Ring Road.

#### ***South Australia***

- Regency Road to Pym Street;
- Gawler rail line electrification; and
- Joy Baluch Bridge duplication project.

#### ***Northern Territory***

- Central Arnhem Road; and

- 
- Buntine Highway upgrades.

### ***Australian Capital Territory***

- Monaro Highway upgrades; and
- Pialligo Avenue duplication.<sup>39</sup>

### **Australian Maritime Safety Authority**

2.47 The committee sought information from officials of the Australian Maritime Safety Authority (AMSA) on the three-year review that will be conducted after implementation of the National System for Domestic Commercial Vessel Safety. AMSA advised that this review will look at how the system is operating, how costs are recovered and how they are shared amongst the industry.<sup>40</sup>

2.48 The committee explored maritime fatalities in 2016–17, seeking information on fatalities by state and sector. AMSA told the committee about its activities across the sector to improve safety, including work being undertaken with industry on the stability of older vessels and in developing standards to require float-free Emergency Position Indicating Radio Beacon (EPIRBs) for the wider fleet.<sup>41</sup>

### **National Transport Commission**

#### ***Corporate matters***

2.49 The committee explored the staffing numbers of the National Transport Commission (NTC), as well as the process for appointing a chair of the board. DIRDC advised that it would provide advice to the Minister on a suitable appointment for the position, based on relevant experience and nominations from other jurisdictions.<sup>42</sup>

2.50 The committee asked NTC about travel undertaken by the senior leadership team. It was informed that the leadership team would visit jurisdictions and attend domestic and international conferences where the topics were relevant to the reforms being undertaken by NTC. The committee sought information on the costs of the senior leadership team's travel, as well as the costs of hospitality with board members or external guests.<sup>43</sup>

#### ***Australian Road Rules***

2.51 The committee sought information on the Australian Road Rules. NTC advised that these rules serve as model legislation which forms the basis of state and territory road transport laws. NTC explained that the Australian Road Rules are based on best practice and engagement with jurisdictions, police, users of the road, motorists and driving associations. NTC stated that in developing these rules, it is guided by

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39 *Proof Hansard*, 21 May 2018, pp. 108–145 and *Proof Hansard*, 22 May 2018, pp. 12–39.

40 *Proof Hansard*, 22 May 2018, p. 4.

41 *Proof Hansard*, 22 May 2018, pp. 7–9.

42 *Proof Hansard*, 22 May 2018, p. 40.

43 *Proof Hansard*, 22 May 2018, pp. 41–42.

United Nations working parties one and 29. Working party one relates to traffic and driving laws, while working party 29 relates to internationalising vehicle standards.<sup>44</sup>

2.52 The committee discussed automated vehicles with the NTC and was informed that it had recently advised the Minister on what changes may be required to the current Australian Road Rules. NTC explained that it plans to establish a separate piece of legislation for automated vehicles and that this work will occur over the next twelve months.<sup>45</sup>

## **Portfolio Coordination and Research Division**

### ***Sustainability Development Goals***

2.53 The committee explored the work undertaken by DIRDC in relation to the United Nations' Sustainability Development Goals (SDGs). The department advised that it is taking a lead role on two of the SDGs: the infrastructure side of goal 9, which is to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; and goal 11, concerning sustainable cities. It informed the committee that it is currently considering the economic contribution of the transport industry. The department is conducting this work with the United Nations, Canada, the United States, the United Kingdom and the International Civil Aviation Organisation (ICAO).<sup>46</sup>

### ***National Freight and Supply Chain strategy***

2.54 The committee asked officials about the report of the Inquiry into National Freight and Supply Chain Priorities. DIRDC advised the committee that it will work with Commonwealth agencies, states and territories and involved stakeholders to build a national Freight and Supply Chain Strategy over the next twelve months. The department told the committee that the development of the strategy is based on five pillars: productivity, safety, environmental sustainability, security and community.<sup>47</sup>

### ***Aviation fares***

2.55 The committee also explored trends in aviation fares identified through research conducted by the Bureau of Infrastructure, Transport and Regional Economics (BITRE).<sup>48</sup>

## **Australian Transport Safety Bureau**

2.56 The committee requested information from the Australian Transport Safety Bureau (ATSB) regarding its contribution to the Civil Aviation Safety Authority's review into drone safety. While highlighting the need to maintain the agency's

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44 *Proof Hansard*, 22 May 2018, pp. 42–43.

45 *Proof Hansard*, 22 May 2018, p. 44.

46 *Proof Hansard*, 22 May 2018, pp. 46–48.

47 *Proof Hansard*, 22 May 2018, pp. 48–49.

48 *Proof Hansard*, 22 May 2018, pp. 51–53.

independence, ATSB had suggested to CASA that the ability to identify a drone in the case of a collision would assist its own air safety investigation work.<sup>49</sup>

2.57 The committee extensively traversed the topic of the search for MH370. It was informed that the ATSB-led search was suspended on 17 January 2017 and a final report into the search was published on 3 October 2017. The DIRDC's Joint Agency Coordination Centre is now the agency responsible for providing advice and public information in relation to Australia's engagement.<sup>50</sup>

## **Airservices Australia**

### ***Hobart Airport flight paths***

2.58 The committee discussed the Aircraft Noise Ombudsman's report into complaints following the introduction of new flight paths at Hobart Airport. Airservices Australia advised the committee that it has accepted all 13 recommendations in the report and that it intends to publish the recommendations, along with Airservices Australia's associated actions, on its website.<sup>51</sup>

2.59 Airservices Australia discussed the rationale for the changes to the Hobart flight paths. Officials indicated that Airservices Australia implemented a standard terminal arrival route into Hobart and standard instrument departures, which are applied at all major aerodromes. Airservices Australia explained that due to increased air traffic, there was a need for more regularity and a systemised approach to managing traffic. Airservices Australia Chief Executive Officer (CEO), Mr Jason Harfield continued:

One of the reasons for having that predictability is that it allows the aircrafts to be managed more efficiently and it allows them to get into a stabilised approach to land much sooner, and they can set up in a very busy time for the pilots. What we have seen since the new flight path and the STARs have been implemented is a reduction in what we call 'go arounds'. That's when the aircraft goes around because it is in an unstable approach. We've seen a reduction in the number for the corresponding period 12 months prior. So we're seeing evidence that the system integrity and safety is improving, with improved efficiency from the systemisation. That indicates that that's where we need to continue—otherwise, we'll get into a situation where air traffic growth for Hobart will be restricted.<sup>52</sup>

### ***Aviation Rescue Fire Fighting services***

2.60 The committee also asked Airservices Australia officials about the establishment of an Aviation Rescue Fire Fighting (ARFF) service at the Whitsunday Coast Airport (also called Proserpine Airport). Airservices Australia told the committee that it expects to have a service on the ground next year, with a full service,

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49 *Proof Hansard*, 22 May 2018, pp. 53–54.

50 *Proof Hansard*, 22 May 2018, p. 55.

51 *Proof Hansard*, 22 May 2018, pp. 64–65.

52 *Proof Hansard*, 22 May 2018, p. 66.

certified by the Civil Aviation Safety Authority in place by 2020. Airservices Australia also told the committee that it has been working with the Queensland Fire and Emergency Services to build their capacity to assist in aircraft accidents at local airports.<sup>53</sup>

### **Civil Aviation Safety Authority**

2.61 The committee discussed the Civil Aviation Safety Authority's (CASA) management of mechanical incidents. The committee focussed on the state of a tyre on a Qantas aircraft that transitioned through Townsville and landed in Brisbane. According to the evidence before the committee, information from the Engineer in Townsville reveals that, due to insufficient manpower available to carry out a tyre change, the aircraft was sent on without the tyre being replaced.

2.62 Mr Shane Carmody, CASA's CEO, informed the committee that the Engineer had also certified that the tyre could continue in service without safety concerns. Notwithstanding this point, it was noted that the Engineer had stated that the tyre must then be replaced at the next check (after Townsville). Mr Carmody also emphasised to the committee that the matter had been the subject of internal investigation as well as peer review and that it had also been referred to the Industry Complaints Commissioner.<sup>54</sup>

2.63 The committee explored CASA's response to this incident, as well as the Industry Complaints Commissioner's report.<sup>55</sup>

### **Aviation and Airports Division**

#### ***Funding for remote aerodromes***

2.64 The committee explored the support provided by DIRDC to remote aerodromes. It was provided with an overview of the Regional Aviation Access Program (RAAP) which supports remote and very remote communities. The RAAP funds the Remote Airstrip Upgrade Program which provides around \$8 million per year towards essential safety works at remote aerodromes. The Remote Air Services Subsidy Scheme is also funded through RAAP, and underwrites mail and passenger services to over 300 remote communities. In addition, the Airservices Australia Enroute Charges Payment Scheme provides a rebate of air services enroute charges for selected routes.<sup>56</sup>

#### ***Pilot training***

2.65 The committee also explored DIRDC's role in supporting pilot training. While the department doesn't provide any specific programs around pilot training, it works with industry to identify ways to improve such training. The department told the committee that it works closely with industry, providing secretariat and research

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53 *Proof Hansard*, 22 May 2018, pp. 75–77.

54 Mr Shane Carmody, Airservices Australia, *Proof Hansard*, 22 May 2018, pp. 79–86.

55 *Proof Hansard*, 22 May 2018, pp. 79–86.

56 *Proof Hansard*, 22 May 2018, p. 87.

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support to an industry group reviewing skills pinch points in aviation, both in engineers and in pilots. The purpose of the industry group is to recommend strategies for a sustainable aviation training sector which will support the training and retention of aviation professionals. The group is also looking at developing strategies to promote Australia as a leading exporter of aviation skills and training services for the Asia-Pacific region.<sup>57</sup>

### ***Major Development Plans***

2.66 DIRDC detailed the process for drafting a Major Development Plan. It noted that if an airport can provide it with an exposure draft, it has the capacity to review the data and determine compliance with the *Airports Act 1996*. The department also receives comments from CASA, Airservices Australia and the Department of the Environment and Energy and returns all these comments to the airport for its consideration. Thereafter, a preliminary draft Major Development Plan is circulated for comment for a minimum of 60 business days. The airport is then required to give due consideration to all submissions received and the issues raised in submissions are presented to government in a report, along with the draft Plan.<sup>58</sup>

2.67 The committee sought information on the proposed third runway at Tullamarine airport, particularly regarding community consultation around the Major Development Plan, which is expected to be released in July or August. The department indicated that in this case, it has provided comments on the MDP exposure draft.<sup>59</sup>

### ***National Airports Safeguarding Framework***

2.68 The committee also sought information on the National Airports Safeguarding Framework. DIRDC explained that the National Airports Safeguarding Framework is a commitment from Commonwealth, state and territory governments. The Framework is supported by the National Airports Safeguarding Advisory Group, which is a forum that brings together transport and planning officials from Commonwealth, state and territory governments to work through issues, such as noise, public safety zones and technical issues, to ensure that planning approvals and processes can factor in airport operations with the amenity of the community.<sup>60</sup>

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57 *Proof Hansard*, 22 May 2018, pp. 89–90.

58 *Proof Hansard*, 22 May 2018, pp. 90–93.

59 *Proof Hansard*, 22 May 2018, pp. 92–94.

60 *Proof Hansard*, 22 May 2018, pp. 94–95.



## Chapter 3

### Agriculture and Water Resources portfolio

3.1 This chapter considers the key issues discussed during the hearing for the Agriculture and Water Resources portfolio on 23 and 24 May 2018.

3.2 On 23 May 2018, the committee heard from divisions of the Department of Agriculture and Water Resources (DAWR) and portfolio agencies in the following order:

- Dairy Australia;
- Landcare Australia;
- Meat and Livestock Australia;
- Rural Industries Research and Development Corporation;
- Horticulture Innovation Australia;
- Plant Health Australia;
- Australian Pesticides and Veterinary Medicines Authority;
- Fisheries Research and Development Corporation; and
- Department of Agriculture and Water Resources Corporate Matters (finance and business support, corporate strategy and governance, information services, assurance and legal, Australian Bureau of Agricultural and Resource Economics and Sciences).

3.3 On 24 May 2018, the committee heard from divisions of DAWR and portfolio agencies in the following order:

- Department of Agriculture and Water Resources Outcome One (farm support, sustainable agriculture, fisheries and forestry, and agricultural policy);
- Animal Health Australia;
- Australian Livestock Export Corporation; and
- Department of Agriculture and Water Resources Outcome Two (biosecurity operations, exports, biosecurity animal, biosecurity plant, compliance, biosecurity policy and implementation) and Trade and Market Access division.

3.4 The following agency was released during the course of the hearing without providing evidence:

- Australian Fisheries Management Authority.

#### **Dairy Australia**

##### *Strategic priorities and activities*

3.5 The committee sought information from Dairy Australia about its strategic priorities. Dairy Australia told the committee that its first strategic priority is helping

farmers improve their profitability. Its second priority is building capability from a people perspective and its third priority concerns the social licence and protecting the right to farm and the right to sell. In terms of expenditure against priorities, 60 per cent is allocated to priority one, 26 per cent to priority two and 19 per cent is allocated to priority three.<sup>1</sup>

3.6 Key activities undertaken by Dairy Australia across the three priorities, include:

- the Dairy Buyer program, in which approximately 80 scientists are working on genomic research regarding animal and plant performance, identifying specific traits that will deliver benefits on-farm;
- the Dairy Industry Sustainability Framework, in which Dairy Australia is looking across the whole supply chain at issues threatening the industry; and
- engaging with health professionals to provide them with the most recent global research about the benefits of dairy in the daily diet.<sup>2</sup>

### ***Engagement with levy payers***

3.7 Dairy Australia provided information to the committee on its engagement with levy payers. This includes formal consultation with the Australian Dairy Farmers Federation (which represents farmers and levy payers) and meeting with the Regional Development Programs on a six-monthly basis. Regional Development Programs are representative organisations based in each dairy region. There are three dairy regions in Victoria and each other state is its own dairy region.<sup>3</sup>

3.8 The committee questioned Dairy Australia on its levy payer database. Dairy Australia explained that it has always had a database with information on levy payers which it uses to communicate with levy payers. The levy is collected by the processors, information is validated through the dairy companies, and then reconciled with the Levy Revenue Service.<sup>4</sup>

3.9 DAWR explained that the collection of information of levy payers differs based on the regulations for each commodity. In the case of the dairy and wool industries, the regulations require the collection of information by the collection agents who pass on the details of the levy payers to the Levy Revenue Service.<sup>5</sup>

### ***Geographical representation of the board***

3.10 The committee also explored the geographical representation of the Dairy Australia Board. Officials told the committee that there are four milk producer directors (three are from Victoria and one from South Australia) and four skills

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1 *Proof Hansard*, 23 May 2018, p. 5.

2 *Proof Hansard*, 23 May 2018, pp. 12–15.

3 *Proof Hansard*, 23 May 2018, pp. 6–9.

4 *Proof Hansard*, 23 May 2018, pp. 10–12.

5 *Proof Hansard*, 23 May 2018, pp. 19–21.

directors (all based in Victoria). Dairy Australia noted that 65 per cent of milk production in Australia emanates from Victoria.<sup>6</sup>

## **Landcare Australia**

3.11 Landcare Australia provided an update on its current projects. These projects are predominantly focused on promotion and knowledge-sharing within the Landcare community. The projects include Landcare in Focus, state and national landcare awards, and a biannual national conference for the Landcare community.<sup>7</sup>

3.12 The committee asked Landcare Australia about the usage of its logo. It explained that the logo can be used by Landcare groups and partners that have funded projects in the Landcare community.<sup>8</sup>

## **Meat and Livestock Australia**

### ***Collection of levy payer information***

3.13 The committee asked Meat and Livestock Australia (MLA) about the collection of levy payer data. It was informed that, while MLA does not currently collect detailed information about levy payers, it is working towards a system where it would be possible to reconcile levy payers with levies paid. It was noted that there are over 2300 different collection points where levies are transacted, and it is a major undertaking for the agency.<sup>9</sup>

### ***Carbon neutral target***

3.14 The committee sought information about MLA's target for the industry to be carbon neutral by 2030. As there are approximately 15 different pathways that have been identified, MLA is seeking to consolidate its respective projects in relation to meeting this target. Mr Richard Norton, MLA's Managing Director, told the committee that two staff members have been appointed to manage the target for industry, one is working on future projects and one is coordinating existing projects.<sup>10</sup> MLA has also consulted with legislative peak industry councils about the target which was announced at its Annual General Meeting.<sup>11</sup>

### ***Cattle herd size***

3.15 MLA told the committee that the size of the Australian cattle herd is currently 26.7 million. Mr Norton explained that the herd is currently in a rebuilding phase, which is being hindered by the dry autumn season on the eastern seaboard. While it is

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6 *Proof Hansard*, 23 May 2018, pp. 6&17.

7 *Proof Hansard*, 23 May 2018, pp. 18–19.

8 *Proof Hansard*, 23 May 2018, p. 19.

9 *Proof Hansard*, 23 May 2018, pp. 19–20.

10 Mr Richard Norton, Meat and Livestock Australia, *Proof Hansard*, 23 May 2018, p. 22.

11 *Proof Hansard*, 23 May 2018, pp. 21–22.

difficult to estimate the future size of the herd, it is MLA's expectation that the cattle herd will reach 29 million by 2022.<sup>12</sup>

### ***Research into consumer demands***

3.16 The committee questioned MLA on the research it conducts into consumer demands, particularly with regard to vegetarianism. MLA told the committee that its current research has revealed that between five and seven per cent of domestic consumers do not consume red meat because of animal welfare or environmental reasons. A key performance indicator (KPI) is to have no more than ten per cent of the Australian population not eating red meat because of environmental or animal welfare issues. Mr Norton explained that MLA sought to achieve this KPI by promoting the benefits of a balanced diet and the Australian dietary guidelines of 450 grams of red meat per week. It works with nutritionists to assist it in encouraging the benefits of a balanced diet with health professionals and the community.<sup>13</sup>

### ***Cargill/Branhaven patent***

3.17 The committee sought an update on the bid by Cargill/Branhaven to patent the genetic makeup of cattle in Australia. MLA told the committee that a decision hearing has been scheduled for August 2018. In addition, DAWR updated the committee on information it had subsequently received from IP Australia, which advised that when the application was put forward by Branhaven, IP law was different. As the legislation has subsequently changed, broad applications would no longer be accepted.<sup>14</sup>

### ***Staffing***

3.18 MLA informed the committee that 45 of its staff are based overseas in Japan, South Korea, China, Singapore, Indonesia, United Arab Emirates, United States and United Kingdom.<sup>15</sup>

### ***Research into genetic manipulation***

3.19 MLA updated the committee on its role in research on genetic manipulation. Mr Norton provided an overview of a genetics consortium that MLA had established in Australia which has linked research facilities with fast-adopting producers to discuss research projects around the country. MLA informed the committee that investment on genetics in the Australian red meat sector is close to \$88 million.<sup>16</sup>

### ***AgriFutures Australia***

3.20 The committee sought information from AgriFutures Australia (AgriFutures) on the cost of rebranding the organisation as it has changed its name from Rural Industries Research and Development Corporation to AgriFutures Australia.

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12 *Proof Hansard*, 23 May 2018, p. 22.

13 *Proof Hansard*, 23 May 2018, pp. 23–24.

14 *Proof Hansard*, 23 May 2018, pp. 26–27.

15 *Proof Hansard*, 23 May 2018, p. 33.

16 Mr Richard Norton, Meat and Livestock Australia, *Proof Hansard*, 23 May 2018, p. 36.

AgriFutures told the committee that the total cost was \$107 221, with the approximate breakdown as follows:

- \$31 000 for developing the strategy, conducting market research and holding workshops;
- \$23 000 for design of the rebrand;
- \$3000 for imagery;
- \$900 for media releases;
- \$22 000 for signage, letterheads, envelopes and business cards;
- \$3000 for contractors; and
- \$23 000 for legal costs.<sup>17</sup>

3.21 The committee sought information from AgriFutures Australia about the goals contained in its strategic plan and some of its key activities towards these goals, including the:

- Rural Women's Award, shining a spotlight on role models for young people coming into the agriculture space;
- Horizon program, sponsoring people starting an agriculture degree and building their networks and leadership skills;
- Ignite Network, targeting emerging leaders in agriculture and running activities to improve leadership skills;
- Ignite Advisory Panel, identifying emerging issues confronting Australian agriculture; and
- running an event highlighting agritech and food tech in Australia.<sup>18</sup>

3.22 AgriFutures Australia told the committee that it is working with DAWR on the levy database. It was noted that having information about the levy payers and their industries would be valuable for AgriFutures.<sup>19</sup>

3.23 The committee sought an update on the new thoroughbred levy. AgriFutures explained that the levy was implemented on 1 July 2017 and is a \$10 levy on both the sire and the brood mare. The levy is collected through the crossing book managed by Racing Australia. AgriFutures also told the committee about two relevant projects. The first is focused on the economic value of thoroughbreds in Australia and the second is a review into the welfare of horses. The first project has been contracted and has commenced, while the second project is expected to be contracted shortly.<sup>20</sup>

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17 *Proof Hansard*, 23 May 2018, p. 44.

18 *Proof Hansard*, 23 May 2018, pp. 44–45.

19 *Proof Hansard*, 23 May 2018, pp. 45–46.

20 *Proof Hansard*, 23 May 2018, pp. 47–48.

3.24 AgriFutures Australia informed the committee about its engagement with the native food sector, including the growers of Kakadu plum. AgriFutures also noted that it is meeting with the Cooperative Research Centre for Developing Northern Australia to identify ways to support their endeavours, as well as engaging with the Indigenous land council in relation to wattle seed, which has potential as a flour replacement.<sup>21</sup>

### **Horticulture Innovation Australia**

3.25 The committee questioned Horticulture Innovation Australia (Hort Innovation) about the Plant Biosecurity Research Initiative (PBRI). Officials told the committee that the PBRI was initiated early last year and is a commitment by all plant-based research and development corporations.<sup>22</sup>

3.26 To date, 31 research and development concepts have gone before the PBRI. A number have progressed through the approval process and three have commenced. Hort Innovation explained that projects go before the PBRI which determines if the proposal fits one of its six key focus areas. If a project is approved, it is progressed, led by a research and development corporation.<sup>23</sup>

3.27 The committee traversed the work being done on fruit fly in Tasmania. Hort Innovation explained that it has a Fruit Fly Fund of \$50 million which aims to remove fruit fly as the number one trade barrier. Since establishing the fund, Hort Innovation has partnered with the South Australian Government to build a sterile male facility which has the nameplate capacity to produce 100 million sterile male fruit flies per week. In addition, funding has been invested in researching fruit fly behaviour, breeding, and sterilisation techniques. Hort Innovation also told the committee that the Tasmanian Government has committed to engaging in active control area management and has committed funding to the Sterile Insect Technique program.<sup>24</sup>

### **Plant Health Australia**

3.28 The committee sought information from Plant Health Australia (PHA) on the work it is conducting with regard to fruit fly. Officials told the committee that PHA has recently completed a new diagnostic handbook to ensure diagnosticians can recognise exotic fruit flies, and will shortly launch a new website to complement this work. PHA also regularly conducts exercises with the states to ensure that they are prepared for an incursion of exotic fruit fly.<sup>25</sup>

3.29 The committee asked witnesses about the work PHA is conducting in relation to bee health. Officials told the committee about the eradication program being run in Townsville for honey bees infected with Varroa mite. PHA spoke of the success of the program, indicating that it has not identified any honey bees infected with Varroa for

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21 *Proof Hansard*, 23 May 2018, p. 49.

22 *Proof Hansard*, 23 May 2018, p. 52.

23 *Proof Hansard*, 23 May 2018, pp. 53–54.

24 *Proof Hansard*, 23 May 2018, pp. 54–55.

25 *Proof Hansard*, 23 May 2018, pp. 61–62.

over 12 months. In addition, PHA manages the National Bee Pest Surveillance Program and has partnered with the Australian Honey Bee Industry Council to place bee biosecurity officers in New South Wales, Victoria, Tasmania, South Australia and Western Australia.<sup>26</sup>

## **Australian Pesticides and Veterinary Medicines Authority**

### ***Performance within timeframes***

3.30 The committee sought information from the Australian Pesticides and Veterinary Medicines Authority (APVMA) on its performance in finalising assessments within the statutory time frames.

3.31 Dr Chris Parker, CEO of APVMA, told the committee that in the March quarter, 79 per cent of assessments were finalised within the time frame, up from 74 per cent in the December quarter and 58 per cent in the September quarter.<sup>27</sup> With respect to complex applications, 38 per cent of pesticides assessments and 60 per cent of veterinary medicines assessments were completed within the time frame. APVMA told the committee that the improvements it was seeing were largely a result of improvements to the internal portal, time put in by managers, streamlining of documentation decisions and the introduction of a commercial computer program that streamlines label checking. However, APVMA also told the committee that performance would continue to be volatile as a result of operating on poor ICT infrastructure, and the challenges associated with knowledge retention and staff separations.<sup>28</sup>

### ***Digital strategy***

3.32 The committee questioned officials on the digital strategy released in May. APVMA indicated that the strategy outlined the vision for a digitally-enabled regulator by 2022 and that the Government has invested \$10.1 million in the strategy. APVMA officials told the committee that the funding was going toward five components:

- enabling infrastructure;
- digitising the current paper-based records;
- unifying communication and collaboration through moving to a cloud-based desktop and implementing tools such as Skype for Business;
- migrating current in-house IT to a managed third-party provision; and
- improving business applications and the user experience.<sup>29</sup>

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26 *Proof Hansard*, 23 May 2018, pp. 62–63.

27 Dr Chris Parker, Australian Pesticides and Veterinary Medicines Authority, *Proof Hansard*, 23 May 2018, p. 63.

28 *Proof Hansard*, 23 May 2018, pp. 63–70.

29 *Proof Hansard*, 23 May 2018, p. 72.

### ***Relocation to Armidale***

3.33 The committee considered the relocation of the APVMA to Armidale and was told that the site of the future leased premises in Armidale was announced in March and work has commenced to excavate the foundations. It was noted that the interim office has been refurbished to accommodate existing Armidale staff. Currently, 22 staff are operating out of the Armidale office and it is expected that 37 staff will be operating from Armidale within the coming months.<sup>30</sup>

3.34 The committee heard that the total amount spent to date on relocation is just over \$4 million over 2016–17 and 2017–18. The expected total cost remains as initially appropriated at \$25.6 million.<sup>31</sup>

3.35 The committee requested information from APVMA regarding the recent staff survey. It was informed that 130 ongoing staff had participated in the survey and that 92 responded they were unlikely to relocate or not interested in relocating to Armidale. The officials emphasised that some portion of those not interested in relocating would have the option to pursue teleworking.<sup>32</sup>

### ***Establishment of the proposed APVMA Board***

3.36 The committee was interested in the recent announcement that an APVMA Board will be established. DAWR explained that an audit of APVMA identified a number of issues regarding the agency's governance, including issues related to finances, time limits, performance, capacity to implement reviews, and change programs in the organisation. The Board is intended to provide strategic oversight and direction for the organisation and is expected to be in place by mid-2019. Officials explained that Board members will be part-time with salaries set by the Remuneration Tribunal. DAWR indicated that the intention is for the Board, which will cost an estimated \$600 000 per year, to operate under a cost recovery arrangement.<sup>33</sup>

### ***Cost recovery arrangements***

3.37 The committee discussed the cost recovery arrangements of the APVMA. Officials told the committee that the agency has engaged PwC to conduct revenue modelling, and five audits have been completed. PwC is currently conducting work in relation to levy payers and may then conduct a pricing review. APVMA expects that cost recovery impact statements will be drafted within the next year.<sup>34</sup>

## **Fisheries Research and Development Corporation**

3.38 The committee sought information from the Fisheries Research and Development Corporation (FRDC) on the National Carp Control Plan (NCCP) and the

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30 *Proof Hansard*, 23 May 2018, pp. 63–71.

31 *Proof Hansard*, 23 May 2018, p. 73.

32 *Proof Hansard*, 23 May 2018, p. 81.

33 *Proof Hansard*, 23 May 2018, pp. 83–97.

34 *Proof Hansard*, 23 May 2018, p. 87.

research being conducted into the potential release of the carp herpesvirus. In particular, the committee highlighted a number of concerns regarding the proposed release of the virus that have been raised with it directly by members of the scientific community. The National Carp Coordinator, Mr Matthew Barwick, explained that these issues are being addressed through a research program under the NCCP. Some of the areas under investigation include:

- the risk of other species developing disease caused by the virus;
- the efficacy of the virus; and
- managing water quality and issues that may result from killing large biomass levels of carp.<sup>35</sup>

3.39 The committee questioned Mr Barwick on what alternative methods of carp control are currently being researched. He told the committee that research is being conducted into viral biocontrol and the risks associated with this method. However, the researchers are also looking at genetic biocontrol options and commercial fishing as options to complement viral biocontrol.<sup>36</sup>

3.40 Mr Barwick informed the committee that the virus is only present in Australia in the Australian Animal Health Laboratory in Geelong in a highly biosecure facility. It cannot be removed from the laboratory until approval is granted. However, approval will not be granted until significant testing is undertaken.<sup>37</sup>

3.41 The committee sought information on the funding of the NCCP. Mr Barwick explained that \$15 million was committed to the project. Of this funding, the allocations include:

- \$10.211 million to the Department of Agriculture and Water Resources (directed to the Fisheries Research and Development Corporation);
- \$4.24 million to the Department of Industry, Innovation and Science to assist with implementation if the plan goes ahead; and
- \$0.557 million to the Department of the Environment and Energy to examine the environmental considerations.<sup>38</sup>

## **Corporate matters**

### ***Collection of levy payer information***

3.42 The committee inquired about the protection of levy payer information, which is to be collected by DAWR for the purpose of establishing levy payer registers. DAWR informed the committee that the infrastructure to establish levy payer registers will be in place by 1 July 2018, and will include a web-based portal that levy recipient bodies will be able to access through a number of security measures. Third party

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35 Mr Matthew Barwick, National Carp Control Plan, *Proof Hansard*, 23 May 2018, p. 103.

36 *Proof Hansard*, 23 May 2018, p. 106.

37 *Proof Hansard*, 23 May 2018, p. 105.

38 *Proof Hansard*, 23 May 2018, p. 107.

access to the database will be subject to certain approvals, as is already the case with Dairy Australia and Australian Wool Innovation.<sup>39</sup>

### ***Review of regulatory capability in the relation to live animal exports***

3.43 The committee asked DAWR about the review of regulatory capability and culture in the regulation of live animal exports. DAWR explained that the review commenced on 16 May 2018 and is being conducted by Mr Philip Moss. DAWR is meeting the cost of the review and providing secretariat support. Two departmental officers have been allocated to assist Mr Moss to meet with relevant staff and stakeholders, provide access to departmental records, book travel and undertake administrative matters. The final report on the review is due by 24 August 2018.<sup>40</sup>

### ***Improving policy capability***

3.44 The committee sought information from DAWR on the measures it is implementing to improve policy capability, as outlined in the department's corporate plan. The department detailed some of the measures, including using virtual and real taskforces, accelerated learning and development for people working in policy and providing extension opportunities for staff with talent in policy.<sup>41</sup>

### ***Australian Government Guidelines on the Recognition of Sex and Gender***

3.45 The committee questioned witnesses on DAWR's implementation of the Australian Government Guidelines on the Recognition of Sex and Gender. The department indicated that it has taken a range of action to implement the processes and systems required to comply with the guidelines. DAWR told the committee that its human resources systems are now fully compliant with the guidelines, in terms of collecting sex and/or gender information.<sup>42</sup>

### ***Australian Bureau of Agricultural and Resources Economics and Sciences***

3.46 The committee questioned the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) regarding its budget and staffing. The officials told the committee that it has around 135 employees, or 120 full-time equivalents, and operates with a budget of approximately \$22 million.<sup>43</sup>

## **Outcome one**

### ***Regional Investment Corporation***

3.47 The committee questioned DAWR officials about the Regional Investment Corporation (RIC). It was informed that the Board has been appointed and has been operating for a number of weeks. Work is underway to ensure that it is fully established by 1 July 2018. DAWR advised the committee that there are

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39 *Proof Hansard*, 23 May 2018, pp. 107–110.

40 *Proof Hansard*, 23 May 2018, pp. 110–111.

41 *Proof Hansard*, 23 May 2018, pp. 113–114.

42 *Proof Hansard*, 23 May 2018, pp. 115–116.

43 *Proof Hansard*, 23 May 2018, pp. 117–118.

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approximately 26 full-time equivalent staff within the Farm Support Division of DAWR currently assisting the RIC. It is expected that departmental staff will be seconded to the RIC while it is establishing its own workforce.<sup>44</sup>

3.48 The committee also sought information from DAWR about the Request for Expressions of Interest to assist RIC with the delivery of Farm Business Concessional Loans. DAWR has completed a first stage assessment, testing the market and getting an indication on who may be well-placed to provide the service. The RIC Board asked the department to commence a second stage of assessment to short-list applicants and gain further information to assist RIC to make a decision.<sup>45</sup>

### ***National Drought Program Reform***

3.49 The committee sought information from DAWR on the review of the Intergovernmental Agreement on National Drought Program Reform. DAWR indicated that it undertook consultation with over 70 industry stakeholders, 14 of which provided a formal submission. The review has been published on the department's website and includes a range of findings, such as the importance of preparedness as a drought policy objective. While DAWR is working on the new intergovernmental agreement as a matter of priority, the agriculture ministers agreed to extend the current agreement until it is replaced.<sup>46</sup>

3.50 DAWR highlighted a number of existing Commonwealth drought assistance programs, including:

- Farm Business Concessional Loans;
- Farm Household Allowance;
- banking and taxation assistance;
- Farm Management Deposits; and
- state and territory measures.<sup>47</sup>

### ***Regional Forest Agreements and the National Forest Industries Plan***

3.51 The committee also discussed the progress of extending the Regional Forest Agreements in Tasmania, Victoria, New South Wales and Western Australia. In particular, DAWR has recently undertaken a number of five-yearly reviews across the Regional Forest Agreements (RFAs) and is working with state governments to review the findings. DAWR is undertaking stakeholder consultation to consider the environmental, social and economic impacts of the RFAs.<sup>48</sup>

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44 *Proof Hansard*, 24 May 2018, pp. 6–7.

45 *Proof Hansard*, 24 May 2018, pp. 7–8.

46 *Proof Hansard*, 24 May 2018, pp. 8–9.

47 *Proof Hansard*, 24 May 2018, p. 11.

48 *Proof Hansard*, 24 May 2018, pp. 21–51.

3.52 The committee asked officials about the National Forest Industries Plan. DAWR advised that \$20 million has been allocated for the plan, which will be released later this year. At this stage, the budget has been allocated for further research and development, particularly related to forest products innovation. The plan will look at farm forestry, forestry with Indigenous communities on Indigenous owned and managed land, and private native forestry. DAWR indicated that \$3.6 million of the funding has been allocated for a new national partnership agreement with the states, to provide facilitation, advice and guidance to landowners who wish to enter the forestry industry and require assistance. The involvement of the Forest Industry Advisory Council (FIAC) was also considered, as it recognised the need for the plan in its 2016 report and it has played an integral role in its development.<sup>49</sup>

### ***Illegal logging***

3.53 The committee also sought information regarding DAWR's communication with stakeholders following the disallowance of the government regulation related to illegal logging earlier in the year. DAWR indicated it has a registration process on its website where industry can register to receive updates. Information on the changes was provided to stakeholders through this mechanism, as well as on the website and in media articles. In addition, those who provided submissions during the public consultation process (conducted on the review into reforms for illegal logging) were contacted.<sup>50</sup>

### **Animal Health Australia**

3.54 Officials from Animal Health Australia (AHA) clarified the role of the organisation, stating that it is a not-for-profit public company and a member service organisation. Members of AHA include the Commonwealth Government, state and territory governments, livestock industries and associate members such as Wildlife Health Australia and the Australian Veterinary Association.<sup>51</sup>

3.55 The committee sought information from AHA regarding its funding model. AHA explained that its budget is around \$14 million annually which comes from levies, matching research and development funding, and various governments. AHA also explained that it partners with the Commonwealth government, research and development corporations, universities and livestock industries to deliver particular programs of interest.<sup>52</sup>

3.56 AHA told the committee of some of its key animal health priorities, including surveillance, traceability and biosecurity capacity and capability. In addition, AHA is working with the Commonwealth government on the National Animal Health Information System to ensure its currency in terms of data standards.<sup>53</sup>

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49 *Proof Hansard*, 24 May 2018, pp. 26–28.

50 *Proof Hansard*, 24 May 2018, pp. 39–40.

51 *Proof Hansard*, 24 May 2018, p. 58.

52 *Proof Hansard*, 24 May 2018, p. 58.

53 *Proof Hansard*, 24 May 2018, p. 58.

## Australian Livestock Export Corporation

3.57 The Australian Livestock Export Corporation (LiveCorp) informed the committee of its role. LiveCorp is a research organisation that takes levies from sheep, goat and cattle exports and invests the levy funds into research and development across the supply chain. LiveCorp runs the Live Export Program in conjunction with MLA and conducts a number of research projects to support the industry. However, LiveCorp does not have a regulatory role in the industry and does not set policies.<sup>54</sup>

3.58 The committee sought information from officials regarding LiveCorp's response to the *Independent Review of Conditions for the Export of Sheep to the Middle East During the Northern Hemisphere Summer* conducted by livestock veterinarian, Dr Michael McCarthy. It was told that DAWR had accepted all the recommendations of the review related to the Heat Stress Risk Assessment model and LiveCorp will be working with the department to make these changes.<sup>55</sup>

3.59 The committee sought further information on the Heat Stress Risk Assessment, or "HotStuff" model, including the assumptions underpinning the model. LiveCorp explained that the model has been around since the early 2000s and has undergone many upgrades since then. LiveCorp developed the model, which was then provided to industry and the regulator to use as a tool to guide risk assessments. The model looks at the voyage route, time of the year, elements of the vessel, pen air turnover per deck, as well as physiology, class and conditions of the livestock, to determine appropriate stocking densities for a vessel. The model works at a two per cent chance of a five per cent or greater mortality rate. The review recommended that this threshold be substantially altered from risk of mortality to risk of livestock heat stress.<sup>56</sup>

## Outcome two

### *Live export trade*

3.60 The committee explored the role of DAWR as the regulator for the live export trade and the department's response to the Animals Australia footage of sheep aboard a live export vessel and the *Independent Review of Conditions for the Export of Sheep to the Middle East During the Northern Hemisphere Summer*.

### *Current approach to regulating the trade*

3.61 DAWR told the committee that its approach to regulating the live export trade has previously been based on the following elements:

- a regulatory framework requiring exporters to ensure the health and welfare of animals at each stage of the export chain;
- a requirement that the exporter outline how it will comply with the Australian Standards for the Export of Livestock (ASEL);

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54 *Proof Hansard*, 24 May 2018, p. 62.

55 *Proof Hansard*, 24 May 2018, p. 64

56 *Proof Hansard*, 24 May 2018, pp. 64–70.

- issuance of further conditions on a case-by-case basis;
- a requirement to have a Commonwealth government-accredited veterinarian on board vessels (who is responsible for reporting to the department on the health and welfare of animals);
- a standard of a two per cent mortality rate as the trigger for initiating a review of the management of sheep during a voyage;
- the maintenance of animal welfare outcomes in the receiving country through the Exporter Supply Chain Assurance System; and
- certification of the vessel by the Australian Maritime Safety Authority.<sup>57</sup>

*Changes in regulation in response to footage*

3.62 DAWR indicated that the Animals Australia footage revealed deficiencies in its regulatory approach. The department told the committee it has taken the following action since the release of the footage:

- conducted an investigation to determine if there have been breaches of the *Australian Meat and Livestock Industry Act 1997* or the *Export Control Act 1982*, including investigating allegations of overstocking on vessels, failing to have sufficient food and water available, injury and illness not being treated, and veterinarians and stockmen leaving the vessel prior to completion of unloading;
- requiring all voyages to the Middle East to have a departmental observer onboard who is able to issue directions to ensure the welfare of livestock;
- reducing stocking densities by up to 17.5 per cent;
- requiring that when a vessel is travelling to multiple ports in the Middle East, the first stop to discharge livestock is to be in Kuwait. This will result in greater space for the remaining livestock as they head to other ports with higher temperatures;
- establishing a hotline to allow whistleblowers to provide information to the department;
- introducing legislation on 24 May 2018 to strengthen penalties for exporters that seek to profit from poor animal welfare practices;
- implementing the recommendations of Dr Michael McCarthy's report, the *Independent Review of Conditions for the Export of Sheep to the Middle East During the Northern Hemisphere Summer*;
- implementing an allometric model to determine stocking densities, ensuring that densities reflect the characteristics of the animals and their behavioural needs (based on the length of the voyage);

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57 *Proof Hansard*, 24 May 2018, pp. 59–61.

- reducing the notifiable mortality level for sheep exported by sea to the Middle East from two per cent to one per cent; and
- fast-tracking the review of the ASEL, which will examine the longer-term legislative requirements to ensure animal health and welfare on all voyages. The review report will be completed by the end of 2018.<sup>58</sup>

#### *Department's investigations of mortality events*

3.63 The committee questioned DAWR on its approach to investigating reportable mortality events. DAWR explained that where there has been a two per cent or greater mortality on board a vessel, it will review the voyage reports, the application for permit and the heat stress risk assessment for the consignment. The department was asked specifically about the report, *Mortality investigation report 69: sheep exported by sea to Qatar, Kuwait and United Arab Emirates in August 2017*, which investigated the death of 2400 sheep aboard the *Awassi Express* in August 2017. The department indicated that it found the cause of death to be predominantly heat stress and that it did not find any breaches of Australian standards or regulations. The department indicated that, based on the information it was provided, the basic requirements of the voyage had been met. The department has now reopened this investigation in light of the Animals Australia footage.<sup>59</sup>

#### *Granting of export permits*

3.64 The committee questioned DAWR on the number of export permits it has granted since the Animals Australia footage was released on 8 April 2018. The department indicated that it had granted 15 export permits which related to five voyages carrying sheep. These permits applied special conditions for the voyages including requesting reports on the voyages, ensuring animals are fed, watered, treated and handled appropriately. The conditions also included a requirement for an independent observer to be present on the voyage, and reductions in stocking densities.<sup>60</sup>

#### *Independent observers*

3.65 The committee sought further information on the role of the independent observers on voyages. DAWR told the committee that these observers are departmental employees and their role is to ensure that the plan put in place by the exporter to manage the welfare of livestock is implemented. The department told the committee that the independent observer is an authorised officer under the *Export Control Act 1982* and is entitled to full access to the vessel, except as directed by the master.<sup>61</sup>

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58 *Proof Hansard*, 24 May 2018, pp. 59–61.

59 *Proof Hansard*, 24 May 2018, pp. 67–68.

60 *Proof Hansard*, 24 May 2018, pp. 85&69.

61 *Proof Hansard*, 24 May 2018, pp. 75–77.

### *Review of the Australian Standards for the Export of Livestock*

3.66 The committee requested information on the review of the ASEL. DAWR told the committee that the review is being undertaken by a technical advisory committee of experts and will look into measures of animal welfare and methods to ensure more accurate, consistent and reliable reporting on animal welfare matters.<sup>62</sup>

3.67 The committee inquired further on the penalties proposed by amendments to the current legislation. Officials informed the committee that it is currently a criminal offence to export meat or livestock without an export licence. It is also an offence for the holder of an export licence to contravene the conditions of that licence, either knowingly or recklessly. The amendments currently before Parliament seek to increase these penalties and also introduce a civil penalty for the contravention of conditions of licences.<sup>63</sup>

### *Value of live exports*

3.68 The committee inquired about the changes in value and quantity of live exports. The department told the committee that the value of exports of live sheep has fallen from \$245 million in 2014–15 to around \$233 million in 2016–17. The quantity of sheep has fallen from around 2.2 million head in 2014–15 to 1.8 million head in 2016–17.<sup>64</sup>

### *Biosecurity import levy*

3.69 The committee sought information from the department regarding the new biosecurity import levy. The department informed the committee that the levy was a recommendation of the biosecurity system review released in 2017. DAWR expects the levy will come into place in 2019, and it is estimated to raise \$325 million. The Commonwealth Government announced a number of measures that this levy will fund including:

- \$51.5 million to develop national action plans for priority pests and diseases, and to maintain and improve diagnostic capacity for pests and diseases;
- \$27.8 million for assurance and verification of current systems;
- \$7.5 million for seamless border clearance and to look at new technology to improve border work; and
- \$14.8 million to manage increased people traffic through air and sea ports.<sup>65</sup>

### *Regulation of the pet food industry*

3.70 The committee questioned officials about DAWR's role in regard to the regulation of the pet food industry. The department explained that while the Australian Standard for the Manufacturing and Marketing of Pet Food was finalised in

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62 *Proof Hansard*, 24 May 2018, pp. 83–84.

63 *Proof Hansard*, 24 May 2018, pp. 91–92.

64 *Proof Hansard*, 24 May 2018, p. 98.

65 *Proof Hansard*, 24 May 2018, pp. 92–93.

2017, the pet food industry is currently self-regulated. The department told the committee that there is a reporting mechanism called PetFAST which allows veterinarians to report health issues associated with pet food. This mechanism is a joint initiative between the Pet Food Industry Association and the Australian Veterinary Association. The department also told the committee that the Standing Council on Primary Industries' Pet Food Controls Working Group recommended a review into the pet food industry and that the Minister for Agriculture and Water Resources, the Hon David Littleproud MP, recently wrote to state counterparts seeking support for such a review.<sup>66</sup>

***Import conditions for cut flowers***

3.71 The committee also explored the enhanced import conditions for cut flowers. DAWR explained that the enhanced conditions arose as a result of changes to the quantity of cut flowers being imported and the diversity of originating countries. The previous arrangements saw imported flowers contaminated with insects being fumigated on-shore. The changes in these conditions are designed to keep insects off-shore by requiring treatments to occur in the country of origin. The department has offered a transition period to importing countries until the end of the year, but is closely monitoring the issue to ensure improvements in the compliance rate.<sup>67</sup>

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66 *Proof Hansard*, 24 May 2018, pp. 95–96.

67 *Proof Hansard*, 24 May 2018, pp. 104–105.



## Chapter 4

### Cross-portfolio Murray-Darling Basin Plan matters

3.1 This chapter highlights some of the key issues discussed during the hearing on cross-portfolio Murray-Darling Basin Plan matters on 25 May 2018.

3.2 The committee heard from the Water Division of the Department of Agriculture and Water Resources, the Murray-Darling Basin Authority, the Commonwealth Environmental Water Holder and the Commonwealth Environmental Water Office.

3.3 Witnesses from each agency appeared at the table concurrently. This chapter provides an overview of matters that were discussed.

#### Newly announced Murray-Darling Basin Plan measures

3.4 The committee discussed the progress of the Murray-Darling Basin Authority (MDBA) and the Department of Agriculture and Water Resources (DAWR) in implementing the measures announced by the government on 7 May 2018.

3.5 The committee questioned the witnesses about the progress towards appointing a Northern Basin Commissioner (the Commissioner). DAWR explained that the Commissioner will have responsibility for auditing and reporting on:

- progress on delivery of the Northern Basin Review outcomes and toolkit measures;
- the achievement of Basin Plan environmental outcomes in the northern basin;
- any additional information required to strengthen scientific understanding of the northern basin;
- ensuring long-term environmental watering plans that adequately reflect the environmental requirements for 'icon sites' in the northern basin;
- coordination activities with Indigenous communities to enhance their ability to contribute to the management, planning and delivery of water resources; and
- implementation of compliance measures.<sup>1</sup>

3.6 DAWR explained that it is currently developing a set of terms of reference for the role and is identifying appropriate people who could fill the conditions of the position. DAWR further advised that it will be discussing the appointment of the Commissioner, as well as the other measures announced, with the basin states.<sup>2</sup>

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1 *Proof Hansard*, 25 May 2018, pp. 5–6.

2 *Proof Hansard*, 25 May 2018, pp. 6–7.

3.7 DAWR advised that while it will provide support to the Commissioner, the extent and scope of that support will be determined in conjunction with the appointed Commissioner.<sup>3</sup>

3.8 The committee discussed the \$20 million measure to improve hydrometric networks in the northern basin and to develop remote sensing and other technologies to enhance monitoring and measurement in all jurisdictions. DAWR explained that this measure would assist regulators to identify instances of non-compliance. DAWR told the committee that it is currently working with Geosciences Australia and CSIRO, as well as the basin states to further develop this measure.<sup>4</sup>

3.9 The committee also explored the new measures relating to Indigenous engagement. DAWR told the committee that it has held initial discussions with the Northern Basin Aboriginal Nations and the Murray Lower Darling Rivers Indigenous Nations regarding the package and will be holding further discussions on the implementation of the measures. Some of the key measures include:

- \$40 million to support Indigenous communities in the Basin and their cultural and economic water entitlements (and associated planning activities); and
- \$20 million grant program for economic development projects in Indigenous regional and rural communities most impacted by the Basin Plan.<sup>5</sup>

### **Compliance activities**

3.10 The committee extensively traversed the outcomes of the recent compliance reviews conducted by the MDBA and a number of basin states. The MDBA spoke about some of the action that the New South Wales Government has taken in response to the *Independent investigation into NSW water management and compliance* report, including shifting responsibility for water management to the NSW Department of Industry, and establishing the Natural Resources Access Regulator.<sup>6</sup>

3.11 In addition, in response to the report, the NSW government established an officials-level group to develop recommendations on measures to protect environmental flows. The group comprises representatives of the NSW Department of Industry, NSW Office of Environment and Heritage, NSW Department of Primary Industries, NSW Water, MDBA and the Commonwealth Environmental Water Office. The MDBA told the committee that this group has developed recommendations on a variety of measures to protect environmental flows, ranging from individual daily extraction limits to active event management. The group anticipates that these measures will be given effect through the basin states' water resource plans, which are due for completion by 30 June 2019.<sup>7</sup>

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3 *Proof Hansard*, 25 May 2018, p. 7.

4 *Proof Hansard*, 25 May 2018, p. 8.

5 *Proof Hansard*, 25 May 2018, pp. 25–27.

6 *Proof Hansard*, 25 May 2018, p. 34.

7 *Proof Hansard*, 25 May 2018, p. 4.

3.12 In order to respond to the recommendations of the reviews in an integrated way, the basin states and the Commonwealth Government agreed to develop a Basin Compliance Compact (the Compact). The MDBA explained that the Compact will set out the key issues that governments will commit to acting upon, and is expected to be accompanied by more detailed work programs. The MDBA told the committee that Dr Wendy Craik was appointed by the Murray-Darling Basin Ministerial Council to provide oversight of the development of the Compact. Dr Craik has attended drafting group meetings and is preparing a separate report for the ministerial council on the Compact.<sup>8</sup>

3.13 DAWR told the committee that the Commonwealth Government has indicated to basin states that future national partnership agreements will link payments to compliance activities of the states.<sup>9</sup>

### **Commonwealth Environmental Water Holder**

3.14 The Commonwealth Environmental Water Holder (CEWH) delivered an opening statement, updating the committee on key activities and achievements of the Commonwealth Environmental Water Office over the previous twelve months. These achievements included:

- support for the re-establishment of black bream in the Murray estuary and the eel-tailed catfish in the Wakool River;
- connecting over 2000 kilometres of river system across the northern basin to support stressed native fish populations in residual waterholes;
- delivering a coordinated flow to support vegetation along the Foulbur river, resulting in the largest recorded migration of pouched lamprey through the Murray mouth;
- inundating 20 000 hectares of the Macquarie Marshes, supporting over 50 species of native water birds; and
- exporting half a million tonnes of salt from the Murray mouth and the River Murray system.<sup>10</sup>

3.15 The CEWH also informed the committee of the monitoring and evaluation work it conducts. Officials spoke about the Long Term Intervention Monitoring Project, in which Australian research institutions conduct monitoring and evaluation activities in seven selected areas within the Basin.<sup>11</sup>

3.16 The CEWH also told the committee of its engagement with communities along the Basin to inform them of the work being conducted. Officials told the committee that the Commonwealth Environmental Water Office has six local

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8 *Proof Hansard*, 25 May 2018, p. 7.

9 *Proof Hansard*, 25 May 2018, p. 8.

10 *Proof Hansard*, 25 May 2018, pp. 2–3.

11 *Proof Hansard*, 25 May 2018, pp. 10–11.

engagement officers in the Basin that have networks with local communities, including recreational fishers and bird watchers.<sup>12</sup>

### **Sustainable Diversion Limit Adjustment Mechanism projects**

3.17 The committee sought information about the supply, constraints and efficiency projects developed by basin state governments as part of the Sustainable Diversion Limit (SDL) Adjustment Mechanism. The department told the committee that all projects under the SDL Adjustment Mechanism need to be implemented and operational by the middle of 2024. The committee sought updates on two projects in particular, the Riverine Recovery Project and the South Australian Riverland Flood Plan Integrated Infrastructure Program.<sup>13</sup>

3.18 The committee discussed the oversight and audit responsibilities for the projects under the SDL Adjustment Mechanism. DAWR and MDBA told the committee that the department is responsible for the provision of funding to the state governments and ensuring the financial milestones have been met. The MDBA is responsible for ensuring delivery of environmental outcomes. The MDBA told the committee that it will report annually on its confidence that the projects will deliver environmental outcomes.<sup>14</sup>

### **Dredging at the Murray mouth**

3.19 The committee discussed the progress towards keeping the Murray mouth open without requiring dredging. The MDBA told the committee that dredging has been nearly continuous at the Murray mouth since 2012. While the aim is for the Murray mouth to be kept open without dredging, there has been a steady build-up of sand in the mouth over several years that will require a number of large flow events to reset.

3.20 The MDBA informed the committee that that the Basin Plan includes a target for keeping the Murray mouth open and that once the remainder of the Plan is implemented, including the constraints management strategy, high flows will be possible which will assist in achieving this aim.<sup>15</sup>

**Senator Barry O'Sullivan  
Chair**

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12 *Proof Hansard*, 25 May 2018, pp. 10–12.

13 *Proof Hansard*, 25 May 2018, pp. 22–23.

14 *Proof Hansard*, 25 May 2018, pp. 23–24.

15 *Proof Hansard*, 25 May 2018, pp. 58–61.

# **Appendix 1**

## **Documents tabled**

### **Infrastructure, Regional Development and Cities portfolio**

Tabled Document No. 1: Documents regarding Mr Nick Cleary, Chairman, Consolidated Land and Rail Australia, tabled by Senator Murray Watt, on 21 May 2018.

Tabled Document No. 2: "The Monthly" article, tabled by Senator Murray Watt, on 21 May 2018.

Tabled Document No. 3: List of cities indicating interest in a City Deal, tabled by Department of Infrastructure, Regional Development and Cities, on 21 May 2018.

Tabled Document No. 4: Documents relating to the Regional Jobs and Investment Package, tabled by Senator Murray Watt, on 21 May 2018.

Tabled Document No. 5: Opening statement, tabled by Infrastructure Australia, on 21 May 2018.

Tabled Document No. 6: Infrastructure expenditure table, tabled by Department of Infrastructure, Regional Development and Cities, on 22 May 2018.

Tabled Document No. 7: Letter from Mr Brendan McRandle regarding ICAO standards, tabled by Senator Barry O'Sullivan, on 22 May 2018.

Tabled Document No. 8: Statement regarding MH370, tabled by Australian Transport Safety Bureau, on 22 May 2018.

Tabled Document No. 9: "The Operational Search for MH370" report, tabled by Australian Transport Safety Bureau, on 22 May 2018.

Tabled Document No. 10: MH370 burst frequency offset analysis and implications of descent rate at end of flight, tabled by Australian Transport Safety Bureau, on 22 May 2018.

Tabled Document No. 11: Map of safety incidents related to Hobart flight paths, tabled by Airservices Australia, on 22 May 2018.

Tabled Document No. 12: FOI letter from Airservices Australia to Air Marshal Davies, tabled by Airservices Australia on 22 May 2018.

Tabled Document No. 13: Photos of damaged aircraft tyres, tabled by Senator Rex Patrick, on 22 May 2018.

Tabled Document No. 14: Letter from Industry Complaints Commissions regarding CASA complaints, tabled by Senator Rex Patrick, on 22 May 2018.

### **Agriculture and Water Resources portfolio**

Tabled Document No. 1: Organisations, regulators and their roles within the livestock export trade, tabled by Department of Agriculture and Water Resources, on 23 May 2018.

Tabled Document No. 2: Opening statement, tabled by Australian Pesticides and Veterinary Medicines Authority, on 23 May 2018.

Tabled Document No. 3: APVMA press release, tabled by Senator Anthony Chisholm, on 23 May 2018.

Tabled Document No. 4: Rainfall deficiencies map, tabled by Department of Agriculture and Water Resources, on 24 May 2018.

Tabled Document No. 5: Australian forest and wood products statistics, tabled by Senator Anne Ruston, on 24 May 2018.

Tabled Document No. 6: Sydney Morning Herald article regarding NSW Regional Forest Agreements, tabled by Senator Janet Rice, on 24 May 2018.

Tabled Document No. 7: Departmental statement on live animal exports to the Middle East, tabled by Department of Agriculture and Water Resources, on 24 May 2018.

Tabled Document No. 8: Forest and Wood Products Council meeting information, tabled by Department of Agriculture and Water Resources, on 24 May 2018.

### **Cross-portfolio Murray-Darling Basin Plan matters**

Tabled Document No. 1: Opening statement, tabled by Commonwealth Environmental Water Holder, on 25 May 2018.

Tabled Document No. 2: Emails to MDBA staff, tabled by Murray-Darling Basin Authority, on 25 May 2018.

## **Appendix 2**

### **Additional Information received**

#### **Infrastructure, Regional Development and Cities portfolio**

Correspondence received 31 May 2018 from the Hon Michael McCormack MP, Minister for Infrastructure and Transport, regarding provision of weather information to flight crews.

#### **Agriculture and Water Resources portfolio**

Correspondence received 9 May 2018 from Ms Melissa Brown, Assistant Secretary, Department of Agriculture and Water Resources, providing a breakdown of expenditure by the Agricultural Industry Advisory Council and a summary of implemented Agricultural Competitiveness White Paper measures.

Correspondence received 14 June 2018 from Mr Sam Brown, CEO, LiveCorp, correcting evidence given on 24 May 2018.

#### **Cross-portfolio Murray-Darling Basin Plan matters**

Correspondence received 14 June 2018 from Mr Carl Binning, A/g Chief Executive, Murray-Darling Basin Authority, correcting evidence given on 25 May 2018.

Correspondence received 1 June 2018 from Ms Jody Swirepik, Commonwealth Environmental Water Holder, regarding evidence given on 25 May 2018.