



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE

**Estimates**

(Public)

WEDNESDAY, 26 MAY 2021

CANBERRA

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**SENATE**

**RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE**

**Wednesday, 26 May 2021**

**Members in attendance:** Senators Antic, Brockman, Ciccone, Davey, Faruqi, McCarthy, McDonald, McKenzie, McMahon, Polley, Rennick, Rice, Roberts, Sheldon, Sterle, Urquhart.



## **AGRICULTURE, WATER AND THE ENVIRONMENT PORTFOLIO**

### **In Attendance**

Senator Duniam, Assistant Minister for Forestry and Fisheries, Assistant Minister for Industry Development

Senator Ruston, Minister for Families and Social Services, Minister for Women's Safety

### **Department of Agriculture, Water and the Environment**

#### **Executive**

Mr Andrew Metcalfe AO, Secretary

Mr Chris Locke, Deputy Secretary, Environment and Heritage Group

Mr James Tregurtha, Acting Deputy Secretary, Major Environment Reforms Group

Ms Cindy Briscoe, Deputy Secretary, Enabling Services Group

Ms Lyn O'Connell, Deputy Secretary, Water, Climate Adaptation, Natural Disaster and Antarctic Group

Mr David Hazlehurst, Deputy Secretary, Agricultural Trade Group

Ms Rosemary Deininger, Deputy Secretary, Agriculture Policy, Research, and Portfolio Strategy Group

Mr Andrew Tongue, Deputy Secretary, Biosecurity and Compliance Group

Ms Kate Lynch, Acting First Assistant Secretary

Mr Matthew Ryan, Assistant Secretary

#### **Agricultural Policy Division**

Ms Joanna Stanion, First Assistant Secretary

#### **AGVET Chemicals, Fisheries, Forestry and Engagement Division**

Ms Emma Campbell, First Assistant Secretary

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

Dr Jared Greenville, Acting Executive Director

Mr David Galeano, Assistant Secretary, Natural Resources Branch

#### **Biosecurity Animal Division**

Dr Robyn Martin, First Assistant Secretary

Dr Narelle Clegg, Assistant Secretary, Animal Health Policy Branch

#### **Biodiversity Conservation Division**

Ms Cassandra Kennedy, First Assistant Secretary

Mr Steve Costello, Assistant Secretary, Program Delivery Branch

#### **Biosecurity Operations Division**

Mr Colin Hunter, First Assistant Secretary

Ms Barbara Cooper, Assistant Secretary, Pathway Policy Cargo and Conveyances Branch

#### **Biosecurity Plant Division (including Australian Chief Plant Protection Officer)**

Dr Chris Parker, First Assistant Secretary

Dr Gabrielle Vivian-Smith, Chief Plant Protection Officer, Australian Chief Plant Protection Office

Dr David Dall, Acting Assistant Secretary, Plant Sciences and Risk Assessment Branch

#### **Biosecurity Strategy and Reform Office**

Ms Jo Laduzko, Assistant Secretary

#### **Compliance Division**

Ms Peta Lane, First Assistant Secretary

Mr Peter Timson, First Assistant Secretary

#### **Corporate and Business Services Division**

Mr Lionel Riley, Acting First Assistant Secretary

Mr Troy Czabania, Assistant Secretary, Governance and Parliamentary Business Branch

#### **Climate Adaptation and Resilience Division**

Ms Maya Stuart-Fox, Acting First Assistant Secretary

Mr Anthony Bennie, Assistant Secretary, Natural Capital and Markets Branch

Ms Heather McGilvray, Acting Assistant Secretary, Climate and Adaptation Policy

#### **Digital Trade Initiatives**

Mr Nick Woodruff, Head of Digital Trade Strategy and Initiatives

#### **Drought and Bushfire Response Division**

Ms Kerren Crosthwaite, First Assistant Secretary

Mr Travis Bover, Assistant Secretary, Drought Preparedness and Policy Branch

Ms Courtney Bryant, Acting Assistant Secretary, Bushfire Response Branch

Mr Andrew O'Sullivan, Assistant Secretary, Financial Policy and Business Support Branch

#### **Environmental Biosecurity Office**

Dr Robyn Cleland, Chief Environmental Biosecurity Officer

#### **Exports and Veterinary Services Division**

Ms Nicola Hinder, First Assistant Secretary

#### **Finance Division**

Mr Paul Pak Poy, Acting Chief Finance Officer

Ms Rachel Short, Acting Assistant Secretary, Funding and Revenue

Ms Tanya Howitt, Assistant Secretary, Financial Management

Ms Sophia Farmakis, Acting Assistant Secretary, Financial Operations

#### **Information Services Division**

Mr Mark Sawade, Chief Information Officer

#### **Legal Division**

Ms Alice Linacre, Chief Counsel

#### **People Division**

Mr Neal Mason, First Assistant Secretary, Parks Policy Taskforce

Ms Jasna Blackwell, Acting First Assistant Secretary, People Division

Ms Kylie Barber, Assistant Secretary, Safety, Antarctic and Parks Branch

Ms Emma Connell, Acting Assistant Secretary, People and Policy Branch

Ms Jill Mand, Assistant Secretary, Integrity Branch

#### **Plant and Live Animal Exports Division**

Dr Melissa McEwen, First Assistant Secretary

#### **Portfolio Strategy Division**

Mr Nick Blong, First Assistant Secretary

#### **Trade, Market Access and International Division**

Mr Chris Tinning, First Assistant Secretary

#### **Trade Reform Division**

Mr Matthew Koval, First Assistant Secretary

#### **Water Division**

Ms Rachel Connell, First Assistant Secretary

Ms Kirsty Bunfield, Assistant Secretary, National Water Policy Branch

#### **Portfolio Agencies**

##### **Australian Livestock Export Corporation**

Mr Troy Setter, Chairman

Mr Sam Brown, Chief Executive Officer

##### **Australian Meat Processor Corporation**

Mr Chris Taylor, Executive General Manager [by video link]

Mr John Berry, Executive Manager, Communications [by video link]

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

Ms Lisa Croft, Chief Executive Office [by video link]

Dr Jason Lutze, Acting Deputy Chief Executive Officer [by video link]

#### **Australian Wool Innovation**

Mr Stuart McCullough, Chief Executive Officer

Mr Jim Story, Company Secretary

Mr Jock Laurie, Board Director

Mr John Roberts, Chief Operations Officer

#### **Cotton Research and Development Corporation**

Mr Richard Haire, Chair [by video link]

Dr Ian Taylor, Executive Director [by video link]

Mr Graeme Tolson, General Manager, Business and Finance [by video link]

#### **Dairy Australia**

Mr James Mann, Chair

Dr David Nation, Managing Director

Mr Charles McElhone, General Manager, Trade and Strategy

#### **Horticulture Innovation Australia**

Ms Julie Bird, Chair [by video link]

Mr Matt Brand, Chief Executive Officer [by video link]

Dr Alison Anderson, General Manager, Research and Development [by video link]

#### **Inspector-General for Biosecurity**

Mr Rob Delane, Inspector General for Biosecurity [by video link]

#### **Meat and Livestock Australia**

Mr Jason Strong, Managing Director

Mr Andrew Ferguson, Chief Operating Officer

Ms Lucy Broad, General Manager, Communications

Dr Jane Weatherley, Chief Executive Officer, Integrity Systems Company

#### **Regional Investment Corporation**

Mr Bruce King, Chief Executive Officer

Mr Paul Dowler, Executive Director, Corporate Services

#### **Wine Australia**

Dr Michele Allan, Chair [by video link]

Mr Andreas Clark, Chief Executive Officer [by video link]

#### **Committee met at 09:03**

**CHAIR (Senator McDonald):** I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2021-22 and related documents for the Agriculture, Water and the Environment portfolio, excluding the environment. All questions on the environment go to the departments appearing before the Environment and Communications Legislation Committee. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed Friday 16 July 2021 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any written questions on notice to the committee secretariat by close of business on Friday 25 June 2021.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence

given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate by resolution in 1999 endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the department and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees, unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies are adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated in the *Hansard*.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.



(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

**CHAIR:** Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

Senators, departments and agencies have been provided with advice on the arrangements in place to ensure that the budget estimates 2021-22 hearings are conducted in a safe environment. This guidance is also available from the secretariat. The committee appreciates the cooperation of all attendees in adhering to these arrangements.

I now welcome Senator the Hon. Anne Ruston, the Minister for Families and Social Services and Minister for Women's Safety; Mr Andrew Metcalfe AO, Secretary of the Department of Agriculture, Water and the Environment; and officers of the department. Minister Ruston, do you or Mr Metcalfe wish to make an opening statement?

**Senator Ruston:** I don't, but I believe Mr Metcalfe would.

**Mr Metcalfe:** Chair and senators, thank you for the opportunity to make a short opening statement this morning. Firstly, I'd like to quickly bring to the attention of the committee an inadvertent omission in our portfolio budget statement. The department identified a section of table 2.2.3 'Budgeted expenses for outcome 1' on page 55 of the PBS was omitted inadvertently from the document tabled in parliament on 11 May. The missing section relates to an outcome which falls under the responsibility of the environment and communications committee. I raised that with them formally on Monday. However, I wanted to ensure full transparency with this committee as well.

Australia's agricultural sector has performed strongly over the last few years and has weathered the COVID-19 pandemic better than most. ABARES expects the gross value of agricultural production to reach a record \$66 billion this financial year, which when combined with the contribution from the fishing and forestry sectors raises the overall value of our agricultural sector to \$71.2 billion, with another good year forecast for 2021-22.

Despite the increasingly challenging international trade environment, our industries are adapting and finding new markets, such as barley being sent to Mexico and Saudi Arabia. Australia's agricultural exports are forecast to grow six per cent in 2021-22, driven by higher cotton, wool and dairy exports. Australia has just delivered its second-biggest winter crop on record. Looking ahead, conditions are looking favourable for crop sowing and establishment in Queensland, New South Wales and Western Australia; however, parts of Victoria and South Australia are drier and will need rain soon to assist crops.

Australia's beef industry, which celebrated Beef Australia in Rockhampton a few weeks ago and produces over \$12 billion of beef each year, has entered a recovery and rebuilding phase following the very challenging drought. Rebuilding herds and flocks will take some time. It sets up the sector to make a positive contribution to our economy for many years ahead.

Of course, not all regions and primary producers are sharing in the recovery equally. For instance, parts of Central and Western Queensland continue to suffer very challenging dry conditions. In the west and east of Australia recent flooding and the movement of Tropical Cyclone Seroja resulted in localised damage to infrastructure but also provided a huge boost to soil moisture and on-farm water storage. Also, the ongoing mice infestation in parts of Australia, while not at this stage expected to materially affect national agricultural production, is locally devastating to crops, stores and people.

Growing the agricultural sector is core to my department's business, and my hardworking and diverse staff across the country are working side-by-side with each industry to achieve this. We continue to operate on the frontline, developing key programs, like the International Freight Assistance Mechanism and the Agri-Business Expansion Initiative, to support economic recovery. We continue to support the vision of an agriculture sector worth \$100 billion by 2030, outlined in the updated *Delivering ag2030* document, released by the minister earlier this week. Agricultural exports are key to that vision and exporters continue to face challenges. We're working with industries to help them manage trade risks and diversify markets. We're committed to regulatory reform and continuing to improve the way we work as a regulator.

In the export space, we've just made the transition to the new Export Control Act 2020 and, just last week, have rolled out our next export document management system known as NEXDOC. Dairy was the first commodity to be released into the system, which has been welcomed by the dairy industry. The new system provides improved product traceability, automates many manual processes, enables self-service for exporters and provides improved reporting.

Strengthening our biosecurity systems will be a key feature of our efforts as we look to protect our farmers, agriculture business and natural environment from the increasing risk of exotic pests and diseases. Australia's biosecurity system protects \$42 billion of inbound tourism, \$53 billion in agricultural exports and 1.6 million Australian jobs across the supply chain. The additional investment through this budget will help strengthen the protective ring around Australia, with the increase in penalties under the biosecurity legislation, the message is clear: break the rules and you'll pay the price. Commonwealth Biosecurity 2030, released today, further outlines the clear and practical road map for Commonwealth action, which will be undertaken in partnership with many others. This road map could couple with the significant investment through this year's budget. It recognises the critical role Australia's biosecurity system plays in protecting our environment, economy and way of life.

This week, the Australian Chief Veterinary Officer, Dr Mark Schipp, is representing Australia at the 88th session of the World Organisation for Animal Health. The event marks the completion of Mark's three-year term as the OIE present. I'd like to put on the record my congratulations to him for the outstanding achievements during his term. Australia's leading role in setting international standards around animal health and welfare has been strengthened by this important work.

Finally, can I again place on the record my thanks to my leadership team and the thousands of departmental staff around the country. We have a diverse workforce, and we recognise we cannot do our job on our own. That's why we actively work in partnerships. with others, from farmers and private landholders to scientists, industry, community groups, traditional owners, thousands of businesses and many other government departments. Partnerships will continue to be a core feature of our approach.

In National Reconciliation Week, this week, to which my department strongly committed, our partnerships with First Nations people continue to be a fundamental approach to the way that we deliver our responsibilities. Over the last year and a half we've faced extraordinary challenges that have affected my people personally, our communities and our work as a department as we engage across Australia. We have much more work ahead of us. I can say that we're approaching it with a strong sense of purpose and a strong focus on good delivery to ensure we contribute positively to the future of Australia. Thank you.

**CHAIR:** Thank you very much, Mr Metcalfe. I'm sure the committee joins with me in also congratulating Dr Mark Schipp for his three-year term. It is such important work that we be engaged there, so we thank him for his efforts and service on that international committee. I most particularly want to acknowledge, as you say, the work of your department. Whilst many other offices were able to go and work from home, so many of your people were still required to be out in the field and on the ground in a really uncertain time. I do congratulate them and thank them for their service in ensuring that our incredibly important agricultural industries continue to operate. Thank you to all of your staff.

We're going to start with Senator McCarthy this morning.

**Senator McCARTHY:** Thank you, Mr Metcalfe, for providing us with the statement well in advance. I'm interested to know, in relation to the statement, about your partnerships with First Nations people, given today is the beginning of National Reconciliation Week. Is there something that you'd care to share, in terms of what the department is doing in that regard?

**Mr Metcalfe:** Certainly. Today we're releasing our new Reconciliation Action Plan for 2021 to 2024, and that sets it out in detail. I'd be very happy to make a copy of that available to the committee.

**Senator McCARTHY:** If you could table that for the committee—I think it's really important.

**Mr Metcalfe:** I can. I'll have a copy provided, and we'll table that through the course of this morning. I'm really pleased about that. It's been the subject of extensive work and consultation between our people together with traditional owners, other First Nations people that we work with and Reconciliation Australia.

In short, the department has very strong relationships with traditional owners and Aboriginal and Torres Strait Islander people, in northern Australia in particular. Through the Torres Strait, we have an extensive network of staff associated with biosecurity, who are all local Torres Strait Islander people. They play a critical role in that key interface between Papua New Guinea and northern Australia, which is the vector, of course, for the potential transmission of animal and plant diseases. It's a fantastic combination of a national requirement around biosecurity and very much caring for country, with people, traditional owners and custodians very much part of those ranger groups and others. So we work closely with the NIAA on those programs. It's a really positive part of the work that we do and has contributed to our biosecurity success.

We, of course, are very conscious that traditional owners also have ownership of very significant parts of Australia. Indeed, our primary producers and significant farmers and graziers do as well. So working with them is an area of work at the moment, but there will be more work in the future.

On the other part of the department, we, of course, are the managers through the Director of National Parks of the three terrestrial Commonwealth national parks—Kakadu, Uluru-Kata Tjuta and Booderee down at Jervis Bay. Again, we're working very closely through the boards of management and with the traditional owners as part of the work of the department. I will provide you with the Reconciliation Action Plan, and that will provide you with much more detail.

**Senator McCARTHY:** Thank you for that. You gave us an example about what was happening with the Torres Strait Island areas. Is your Reconciliation Action Plan based solely on that, and then do you have a different one over in the Kimberley and a different one in the north? Or is it just one document?

**Mr Metcalfe:** It's one for the whole department, but it recognises that we work right across Australia not only on the land but also in the reefs and seas as well. So it's quite comprehensive from that point of view. One other thing I should mention is that I actually think that, while we are working well, we can always work better in this area. The combination of traditional Indigenous knowledge and Western science is really important in terms of understanding our country and how we can ensure that we do truly care for it for generations to come. We've recently arranged with the NIAA for a very senior officer from the NIAA to be seconded to the department, Anne-Marie Roberts. Anne-Marie is Townsville based but will be in Canberra and elsewhere a lot. We'll be working with her, particularly initially in the biosecurity area, to see what more she believes we can do in working with traditional owners and other First Nations groups, and we'll be working with her over the year or two that she'll spend with us more generally at department programs. This is an area where—

**Senator McCARTHY:** What's her role called?

**Mr Metcalfe:** She'll be a senior adviser on Indigenous policy matters and working, as I've said, initially with Andrew Tongue and the biosecurity group. They're appearing before the committee later, and I'm sure they can talk in more detail. But I think that as she gets to know the department better and we get to know her connections better, we'll actually be able to work with her much more broadly across the department.

**Senator McCARTHY:** Who would the stakeholders involved with your Reconciliation Action Plan be other than the TAs?

**Mr Metcalfe:** Many of them have been our own Indigenous staff. I will see if Ms O'Connell, our Indigenous champion, is here. She might be able to provide a bit more detail on the development of the plan. Lyn is a deputy secretary and is our champion for Indigenous issues but works very closely with Wayne See Kee, who's a senior departmental officer based in North Queensland who is, of course, a former head of the Torres Strait Regional Authority and is a Torres Strait Islander.

**Senator McCARTHY:** Ms O'Connell, you must have got the memo—red and black today! You should get the yellow nails on as well!

**Mr Metcalfe:** We are actually having a recognition of Reconciliation Week and a launch of the RAP back at the department today. Unfortunately, Lyn and I can't be there because we're with you, but we have—

**Senator McCARTHY:** It's not so bad with me; don't worry!

**Mr Metcalfe:** We will have quite a significant event to mark the beginning of Reconciliation Week.

**Ms O'Connell:** I acknowledge that today is also Sorry Day. We look forward to launching our Reconciliation Action Plan. I along with my Torres Strait Islander colleague Wayne See Kee, who Andrew mentioned, chaired the committee to develop our Reconciliation Action Plan. The large focus of our Reconciliation Action Plan was our staff, because it is basically a plan for what our department, in total, will do. We did consult outside. There's, indeed, an Indigenous advisory committee for our department, and we certainly consulted on a number of occasions and took advice from our Indigenous advisory committee—but certainly strongly from all of our Indigenous staff whose contributions to the development of our RAP I want to acknowledge. Our RAP is a stretch RAP. Reconciliation Australia, if you like, are the approval authority for our plans. They have approved it and recognised it as a stretch RAP, which, in the grading of reconciliation action plans, puts it up there. We've set some ambitious goals and targets for ourselves that we want to achieve over the life and the term of our Reconciliation Action Plan. So we're very much looking forward to launching it this week. We acknowledge that the Reconciliation Action Plan isn't just for our Indigenous staff; it's for all of our staff to undertake the actions in it. So it's the whole department working together to deliver on the goals and ambitions that we've set out in our Reconciliation Action Plan.

**Senator McCARTHY:** How many across the department? I think that's an important message to send out—that reconciliation is for everyone involved.

**Ms O'Connell:** Absolutely. It is for all of our staff involved in the department—all 7,000-plus staff in the department—to take on board the goals in the Reconciliation Action Plan and live and breathe them, give life to them and deliver them. We'll have a process that I'll continue to chair, along with my co-chair Wayne See Kee, to look at how we're going in delivering our plan—to monitor it, to report to the executive board and to look quite clearly at where we're meeting the goals and other areas where we need additional effort over the period and the life our RAP. Our RAP has been a bit of a process. We came together as two departments over a year ago. We had two different committee structures and working structures for our Indigenous staff. So we needed to bring that together and to build a new RAP for the new department. That's now happened and has launched this week, which is terrific.

**Senator McCARTHY:** Would you care to table the names of the Indigenous advisory group that you have as part of the RAP, or are they in the RAP?

**Ms O'Connell:** It's not for the RAP specifically. The department's got an Indigenous advisory committee, and it's on the internet. It's chaired by Duane Fraser, so it's a structured committee that largely is statutory to advise on the environment side of some of the work that's done. But certainly we consulted with them in the development of the RAP and very much more broadly with, obviously, all of our staff and stakeholders.

**Senator McCARTHY:** Would you be the first department to have one?

**Ms O'Connell:** To have an Indigenous advisory committee?

**Senator McCARTHY:** No, sorry—to have a RAP.

**Ms O'Connell:** I wouldn't claim that we're the first. Departments have had RAPs for probably a decade now that I think about it. A RAP runs for a number of years, and then you need to start development of your new RAP.

**Senator McCARTHY:** Is it your first RAP?

**Ms O'Connell:** In our new department it is. But our previous two departments—ag and water, and environment—each had their own RAP. This will be the first RAP for our new combined department.

**Senator McCARTHY:** I know that Senator Sterle wanted to some questions on this as well.

**Mr Metcalfe:** Sorry, Senator, it's actually tomorrow that we're launching the RAP, not today. We'll table the RAP but I'll also provide you a copy of the script of the video we've I've recorded that we'll be using in launching the RAP because it makes clear the point that Ms O'Connell mentioned: this is for everyone in the department; it's not just for Indigenous employees, it's for all of us; and it's something we should all be very proud of and embrace.

**Senator McCARTHY:** Thanks, Mr Metcalfe.

**Senator STERLE:** Chair, this is Senate estimates session No. 47 for me and this has been the best start that I've have ever heard. Biosecurity—by the time it gets to us, something has gone upside down. You talked about the fine work that the ranger groups and your department do. I'm aware of the ranger group working in the Kimberley, but I think it would be extraordinarily helpful for this committee if we were able to put aside four or five days to get up and have a look at the fine work that the ranger groups do, particularly in the Torres Strait.

**CHAIR:** What a fine idea.

**Senator STERLE:** You've just pushed a button there. We don't have that problem in the west; nothing gets in—except for the odd boat now and again. The challenges for biosecurity in the Torres Strait would be a wonderful thing for us to—

**Mr Metcalfe:** We would warmly welcome it if the committee were to do that. The Northern Australia Quarantine Strategy, which is over 20 years old, is the key to this. It is a fantastic correlation of traditional owners and their pride in their land and the benefits from keeping an eye out for anything that's different or unusual. Things do literally blow in to northern Australia—fall armyworm and the movement of animals or whatever. It's a little while since I've been to the strait. You get a sense that it's something the kids aspire to. For kids in school, the thought of being a ranger is a really positive thing. So we'd really welcome any interest the committee has in that.

**Ms O'Connell:** They're great role models. In terms of WA, there are 70 Indigenous ranger groups across the north coast of Australia—and in the Torres Strait as well—including, off to the west, in Broome and other areas. There are 70 ranger groups across the north who all undertake that important biosecurity work, both land and sea. They have collected quite a number of things that would otherwise have gone undetected and could have become a real issue in terms of pest management.

**Senator STERLE:** I'm aware of what goes on in the Kimberley but certainly not up in the Northern Territory and the top of Queensland, so that would be great.

**Senator McCARTHY:** Thank you for that, Ms O'Connell. I will now move onto the ag ministers forum. Can the department confirm when the federal minister for agriculture last met with his state and territory colleagues through an ag ministers forum?

**Ms Deininger:** I'll double-check, but I believe it was 3 December last year.

**Mr Metcalfe:** There's another meeting happening next week. The budget and Senate estimates will be behind us at that point.

**Senator McCARTHY:** It's a virtual meeting. Minister Littleproud will be here in parliament. Like most ministerial meetings these days, it will be held virtually.

**Senator McCARTHY:** Was the December meeting virtual as well?

**Mr Metcalfe:** It was. Again, I remember that we were here in Parliament House.

**Senator McCARTHY:** Would you be able to table the relevant communique from that 3 December meeting?

**Mr Metcalfe:** It may well be on our website, but we'll table it directly.

**Senator McCARTHY:** Thank you. Can you confirm when the federal minister for agriculture last convened a meeting or forum with state and territory ministers?

**Mr Metcalfe:** That would have been the last ag min meeting.

**Senator McCARTHY:** In December?

**Mr Metcalfe:** That's right.

**Ms Deininger:** The Conran review of all of the ministerial councils for different portfolios is relevant for this particular meeting as well. There has been correspondence between Minister Littleproud and his state and territory counterparts following the Conran review. That correspondence goes to the four priorities that will be the focus of the ag ministers meetings as they go forward around biosecurity, climate change, workforce—and there's one other—

**Senator McCARTHY:** But there hasn't been an actual meeting of state and territory ministers with the ag minister?

**Mr Metcalfe:** No. It's worth putting it in the context of the Conran review. I think we may have discussed it with the committee last time. I occasionally get confused, because we also appear before the environment committee. National cabinet has endorsed a report from Mr Peter Conran about ministerial meetings. Effectively, there is a strong desire from all first ministers—premiers, chief ministers and the Prime Minister—to ensure efficiency in Commonwealth-state relations and to ensure that ministerial committees were actually reduced in number; and those that remained, such as the ag ministers meeting, were given a very clear agenda to pursue rather than having very broad agendas and whatever. That's happened with both the environment ministers meeting, which we also work with, and the agriculture ministers meeting. As a result, the default point is that ministerial meeting should happen on a small number of topics—no more than three or four—and that, where possible, they should occur virtually rather than involve travel. Some of them are to be reviewed quite regularly as to whether there is a continuing need. This is something that's been imposed by the first ministers of all the states and territories and the Commonwealth rather than simply being decided by particular portfolio ministers.

**Senator McCARTHY:** You said a decision was made that it should focus specifically on a few issues. Can you identify what those issues are?

**Ms Deininger:** The first one is to coordinate the COVID-19 response and recovery around domestic border issues, agriculture workforce supply and industry issues. The second is the delivery of a coordinated work plan for climate change in agriculture. The third is the implementation of the National Drought Agreement. The fourth is actions to strengthen key nationally significant biosecurity systems and infrastructure, reflecting emerging risks. The agenda for the upcoming meeting reflects those four priorities.

I should also say that Mr Metcalfe meets fortnightly with his colleagues from the states and territories. That is a very important and very productive mechanism for the Commonwealth and the states and territories to work closely together to understand the issues on the ground and ensure that those priorities, right across Australia, for the agriculture, fisheries and forestry sectors are pursued.

**Senator McCARTHY:** Even though the minister isn't meeting directly with his state and territory counterparts, you've said he's corresponding. Is that enough?

**Mr Metcalfe:** I think it is enough. As Ms Deininger indicated, there is very regular contact between me and the state directors of primary industry. We meet formally every couple of weeks. We in fact have decided that we were probably meeting too frequently, and I think we're now going to wind it back to monthly but give ourselves more time so that we can have a longer discussion monthly. Of course, if there are particular issues, people pick up the phone. For example, I have had some other discussions with my South Australian counterpart given the issue of fruit fly in South Australia and how the Commonwealth has been supporting the South Australian government in that quite serious issue. Similarly, last year in Victoria we had major issues associated with a very major outbreak of avian influenza. Again, there was regular contact in relation to that matter.

Beyond the Agriculture Senior Officials Committee, or AGSOC, the National Biosecurity Committee is also a major part of the Commonwealth and state apparatus. Mr Andrew Tongue, the deputy secretary for biosecurity, chairs that. They recently had an in-person meeting in Darwin. Because of COVID, I think that was the first time they have been able to get together in well over a year.

**Senator McCARTHY:** Was that just recently?

**Mr Metcalfe:** That was in March, from memory. Mr Tongue can tell us more about that when he's here later today. At the ministerial level, effectively agriculture ministers committees, like all other ministerial committees, are now working to this new sets of arrangements—meeting less frequently, meeting virtually and meeting with a smaller number of particular topics. That's what has been put in place.

**Senator McCARTHY:** What about issues impacting the ag sector, such as the workforce shortage, biosecurity risks and attaining the \$100 billion target? Are they being discussed as part of those agenda items that you mentioned?

**Mr Metcalfe:** Ms Deininger has outlined the four primary areas of focus. There is always the issue of 'other business', which pays appropriate recognition to the requirements of first ministers; it is always there to allow things to be discussed. On the issue of workforce shortages, though, there has of course been extensive work done. There was some very productive work done by ministers and officials through the course of last year, particularly in relation to state borders closure and in the development of the agricultural workforce border strategy. That was led by the Commonwealth and we worked very closely with the states in relation to that. That's one example.

On the broader issue of workforce shortages, we had a major report recently from the expert committee. I think we discussed that at the last estimates. That has laid out a number of ideas that are being pursued, some of which were funded through the budget and others of which are still being worked on. It's very clear that each state and territory and the Commonwealth are all focused on this issue. At the officials level, we are working closely. Indeed, one of Ms Deininger's colleagues chairs the Commonwealth-state working group in relation to workforce issues. So I'm pretty satisfied that it's an issue that we all recognise is a major concern for our industries and that we're all very focused on what we can do to assist with the issues.

**Ms Deininger:** I can confirm that workforce issues and biosecurity are specifically on the agenda for the upcoming meeting. As Mr Metcalfe mentioned, there is an officials working group which involves all the states and territories and the Commonwealth. We work very closely with our colleagues in the departments of immigration, employment and foreign affairs to facilitate not only trying to attract domestic workers into the agricultural workforce but also to bring in seasonal workers from overseas. So there is a very collaborative network of officials working on those matters.

**Senator McCARTHY:** Is this next meeting of the forum something that the ministers arranged or organised, or has it come directly—

**Mr Metcalfe:** Yes. It's next Tuesday, from memory.

**Ms Deininger:** Yes. And the minister has sent letters of invitation and the agenda; they've been issued.

**Senator McCARTHY:** Is that because the department may have briefed the minister to have a forum next week, or has it come independently?

**Mr Metcalfe:** We and the minister work together on these issues all the time. He is obviously keen to continue to work closely with state and territory counterparts. And we, on the very long list of issues that we work with him on, are saying, 'You want to have this meeting. Let's work through what the right timing might be.' The reason it is happening next week is that the minister has availability. And we were keen for it to be next week, not this week, because we are here this week.

**Ms Deininger:** I can confirm that the meeting is on Wednesday 2 June.

**Senator McCARTHY:** Thank you.

**Senator STERLE:** I was going to raise the workforce challenges and all that in outcome 3. Do you want to do it now or do you want to come back to it?

**Mr Metcalfe:** We'll have the right people here later, under outcome 3.

**Senator STERLE:** Let's wait. I do want to challenge some of the information you have put to us. We've got conflicting evidence that I'd like to tease out.

**Mr Metcalfe:** We know it's a very serious issue, and we're very happy to talk about all the things we're trying to do.

**Senator STERLE:** Thanks very much. I'm happy to wait until the right people are here. Unless Senator Ciccone has something in this area, we are happy to move on, Chair.

**CHAIR:** Senator Ciccone?

**Mr Metcalfe:** Secretary, I have some questions for you in regard to export cost recovery. Should I ask them here or in outcome 3.

**Mr Metcalfe:** Again, we would prefer to do that later.

**CHAIR:** Later today.

**Senator CICCONE:** Okay.

**Mr Metcalfe:** I think we are in corporate issues at the moment.

**CHAIR:** Yes, we are.

**Senator STERLE:** I know that Senator McCarthy is going to have some questions around cotton. What outcome is that under? Is that definitely tomorrow?

**CHAIR:** Cotton Australia will be here tomorrow.

**Senator STERLE:** Yes, but there might be some other issues for the department.

**Ms Deininger:** We can do that under outcome 3. It depends on whether it is a biosecurity question. Perhaps we can canvass it under outcome 3 and see.

**Mr Metcalfe:** It depends on whether it is trade, biosecurity or cotton production—

**Senator STERLE:** Or startups.

**Mr Metcalfe:** startups in northern Australia or water.

**Senator McCARTHY:** It will be around startups.

**Mr Metcalfe:** Understood.

**CHAIR:** Senator Ciccone, do you have anything else for outcome 1?

**Senator CICCONE:** No. It was just those questions about export cost recovery.

**CHAIR:** Alright, well do that later today. I believe that brings us to the end of corporate matters. If we could bring forward outcome 3—do you have all your departmental people on standby, Secretary?

**Mr Metcalfe:** Yes, we have. Outcome 3 is a very big outcome. I don't know if a document like this document I have here has reached the committee. We've attempted to provide guidance on where everything fits within outcomes, just for a bit of assistance to you.

**CHAIR:** No, I haven't seen that.

**Senator STERLE:** But we'll let you know where we want to go. You've got the right people?

**Mr Metcalfe:** We've attempted to break it down—

**CHAIR:** Sorry, Secretary, the secretariat did circulate that document, so we'll try to keep within—

**Mr Metcalfe:** It was just an attempt to help the committee because there is so much—it attempts to break it down by sub-outcome. For example, if you want to talk about cropping industry matters under the grains industry, that's 3.7. We've got people here to assist you, wherever you want to go. Chair, just to make absolutely sure: cost recovery is actually outcome 4, which is 'Biosecurity and export services'.

**CHAIR:** Yes. So, Senator Ciccone, that question you have about cost recovery will be under outcome 4.

**Mr Metcalfe:** It is under biosecurity and export services, because those are the areas we have cost recovery for.

**Senator CICCONE:** Alright, I'll ask that later this afternoon.

**Mr Metcalfe:** We'll be here.

**Senator CICCONE:** So will I, don't you worry about that!

**CHAIR:** Do we have representatives for outcome 3 in the room now?

**Mr Metcalfe:** Yes. Depending on—

**Senator STERLE:** I'll tell you where we want to go. That might help. I want to go to—

**Mr Metcalfe:** It's just so that I can have the right people come forward from the room behind us.

**Senator STERLE:** I'll let you know so that you can work it out. I want to go into the Food Waste for Healthy Soils Fund. I want to go into the Tasmanian government seeking federal funds for its election commitment in the water area. Obviously I want to go into workforce. AgMove—I want to go there too. And there are a few others—the Seasonal Worker Program. Have you got the people for the Food Waste for Healthy Soils Fund?

**Ms Deininger:** We're happy to go to soils if you want to go to that first.

**Senator STERLE:** Great. That makes it easier. I'll throw my questions to you, Mr Metcalfe, and then you can tell me where we need to go. I want to ask the department to provide details on the following, please. Have grant guidelines been drafted for the Food Waste for Healthy Soils Fund?

**Ms Deininger:** The food waste measure is being run out of the environment area in our department—James Tregurtha, so I would have to check with him.

**Senator STERLE:** Is he not here in the building?

**Mr Metcalfe:** No, he's not. He's on the environment of the department.

**Ms Deininger:** And they appeared on Monday.

**Mr Metcalfe:** But we can certainly undertake to provide that information to the committee and indeed we can see if the relevant officer can come up from the department and be here over the course of the next hour or so.

**Senator STERLE:** You tell me when we get to environment. I'll make myself a note here.

**Mr Metcalfe:** From our classification, that sits under waste management, but it contributes, of course, to soil. We're asking the relevant division head to come up from the department to be available to the committee.

**Senator STERLE:** What about the mouse plague? Can I ask these questions here?

**Mr Metcalfe:** You can.

**Senator STERLE:** We did ask questions at the last estimates, as you said in your opening statement, Mr Metcalfe. We know the havoc and distress it's causing, and we know it's been around for many, many months. Can the department give a summary of how significant this mouse plague is now? I know you touched on it, but let's have a real good talk about it, if we can.

**Mr Metcalfe:** We don't have direct responsibility for issues associated with the mice infestations, but we certainly know that the infestations have occurred in southern Queensland and in significant parts of New South Wales, particularly in the central west and north-west, and there are reports from Victoria and, indeed, from South Australia as well. Each state and territory department has primary responsibility for dealing with local pest-animal matters, so we rely upon data that we would be seeing from the departments of primary industry. CSIRO also has a major role in applying scientific management to the infestations, so CSIRO could well have some data as well.

**Senator STERLE:** I'll come to the department here. As you say, you're relying on the primary industry departments in each state. Without being critical—we're lucky we haven't got it in the west—it's obviously getting worse. Is there going to be a national response? I'm going to go down that path.

**Mr Metcalfe:** The answer at this stage is no. It's seen as something that each state government is responsible for.

**Senator STERLE:** May I ask why there will not be a national response, if it's getting worse and worse?

**Mr Metcalfe:** As I've said, the very longstanding arrangements are that each state and territory is responsible for pest and animal management within its jurisdiction. Clearly the states and territories are all undertaking activities. There's been significant publicity about a funding package in New South Wales, for example, that the New South Wales government has arranged. The Commonwealth's role really comes in a couple of places. Firstly, CSIRO is a national capability and has spent a lot of time, over decades, on scientific management measures for pest animals—everything from rabbits to prickly pear to mice—and CSIRO has a number of officers in the field at the moment in that area. We also have a role, through the Australian Pesticides and Veterinary Medicines Authority, in the licensing of pesticides. I think the APVMA has been called to appear before the committee, so I'm sure the CEO of the APVMA would be happy to provide advice on the pesticides and the use of pesticides that have been authorised to help with baiting measures for the pests.



**Senator STERLE:** So the CEO of the APVMA should be here for outcome 3 now?

**Mr Metcalfe:** No. I think the APVMA have been called separately.

**Ms Deininger:** For tomorrow.

**Senator STERLE:** Look, let me put the question to you. If it's for tomorrow, I've asked, and it saves doubling up tomorrow. You, being the federal department, do have a role to play in the approval of bromadiolone.

**Mr Metcalfe:** The APVMA is the regulator.

**Senator STERLE:** Alright. In terms of other chemicals to attack this mice plague, can I ask those questions of the department, or are they for the APVMA?

**Mr Metcalfe:** I'm just trying to think of all possible ways that we're assisting. One of the other issues is, of course, the availability of the precursor chemicals for the baits. We know that Australian bait manufacturers are having to largely use a chemical called zinc phosphide as the major chemical. There is a lot of pressure on the availability of that particular chemical given the rising levels of demand for it. Most zinc phosphide that is used in Australia is manufactured in India, and, given COVID issues associated with transport generally and, of course, the impact of the pandemic and the tragic situation in India at the moment, there have been disruptions to freight. This is a pretty serious chemical, so it has to be handled very carefully. It is normally loaded last onto the vessels and taken first off of the vessels for safety reasons. Increasingly, bait manufacturers, I'm told, are relying upon air freight to get the chemical into Australia for bait production. The Australian government is supporting that through the International Freight Assistance Mechanism. You will recall that's the mechanism that has been put in place because of the impact on international air travel and how a lot of our agricultural exports, particularly perishable exports, were loaded into passenger jets. The International Freight Assistance Mechanism has allowed those planes to keep flying and for our exports to continue. That's administered by Austrade. That mechanism has been used to get some of this chemical into Australia as well. So the Commonwealth has assisted through science, through regulation of chemicals and through helping to get the stuff into Australia as well.

**Senator STERLE:** Zinc phosphide is just one. I know about it because I was reading about it last week. My concern is the effect of chemicals on native animals and other species too. Am I right to assume we only have the bromadiolone and the zinc phosphate? There are no other chemicals that we've got?

**Mr Metcalfe:** I'd have to defer to the APVMA. They've got the regulatory scientists who understand the chemicals needed for this particular method of destroying mice, but the APVMA will also be able to explain the criteria they take into account in authorising the use of chemicals in certain ways. Obviously the issue of impact on other animals who may directly ingest the bait or ingest affected mice is one of the considerations they take into account—and obviously human health as well. But I'm sure that the CEO of the APVMA will be able to assist you on those matters.

**Senator STERLE:** I'll leave the mouse plague stuff and the chemical stuff to the APVMA. I know you'll be here tomorrow anyway, Mr Metcalfe.

**Mr Metcalfe:** Yes, we'll be here.

**Senator STERLE:** What you're making pretty clear is that it all falls at the feet of the APVMA. They've got a handle on what might be happening in terms of the impact on native animals and plants and the environment.

**Mr Metcalfe:** You made the point—and I made the point as well—that there's obviously the impact on production and on stored foods. This is a pretty awful thing, and we are very conscious that it's impacting on people's mental health. Particularly coming off the back of years of drought—we've had one great season and for many people we've got another good season coming—having to deal with this at the individual level is pretty awful. So I should make the point that, of course, there are mechanisms through primary health networks and there is additional funding for mental health. We'd certainly encourage people, if they are being impacted, to ensure that they are accessing the systems that provide that support.

**Senator STERLE:** I will just keep chipping away—and we'll come back to APVMA tomorrow. We've been told that the New South Wales has provided \$50 million to combat the mouse plague. Can the department confirm whether the federal government has provided or will provide any funding to Australian farmers to deal with this issue?

**Mr Metcalfe:** Not directly, but through the measures that I mentioned and the work that is being done by the APVMA. The freight adjustment mechanism and the funding for mental health assistance are obviously part of that as well. But, as I've said, the primary responsibility for infestations, animal or weed, is at the state government level.

**Senator STERLE:** Yes, you have said that pretty clearly. But, as I've said too, unfortunately—and I'm not having a go at the states—it's not reducing the problems that are out there.

**Mr Metcalfe:** I talk very regularly with my state and territory counterparts, and it's very clear that they are working incredibly diligently.

**Senator STERLE:** I have no doubt.

**Mr Metcalfe:** We've also got major issues with fruit fly in South Australia, and there are issues with pest weeds, cactus, in Victoria. So this whole issue of pest, animal and disease is a major focus for state and territory governments. But that's exactly why we're very pleased that the Commonwealth government has provided significant additional funding for those areas of biosecurity that the Commonwealth is responsible for.

**Senator STERLE:** Sure. I don't wish to be disparaging of the fine work that the relevant departments in the states are doing. I respect that we've done a lot of work around fruit fly in this committee, but this mouse plague is more destructive and destroying than any other thing that we've got going at the moment and is not abating. I did read with interest that certain media outlets are saying that this mouse plague could start stretching into suburban Sydney. Have you done any work around that? Have you looked into that? Have there been any conversations? If you think we have problems now—

**Mr Metcalfe:** I'll check to see whether the department has done anything. What we do know is that mice are pretty good hitchhikers. So they can spread through getting into goods that are being transported and then jump off again and whatever. I've also seen evidence that a lot of the infestations are relatively local, in that the mice have been dormant and, when they get a very good year, the population explodes because they are such a fertile animal. This is not the first time we have had mice infestations like this, and it's not the last time we'll have them. And the population ultimately collapses and then remain dormant again for some years. It would probably be CSIRO that would provide you with the best explanation of the way the pest breeds, develops and moves. That's an area of science that we believe that CSIRO could assist you with.

**Senator STERLE:** Sure. I understand that. So, without putting words in your mouth—I would never try to do that—the department has not even started looking in that area and at what happens if it does get down to—

**Mr Metcalfe:** It's not one of our core responsibilities. I'll double check to see whether across ABARES or across Biosecurity there's been some work done. But, as I've said, it's an area where we would essentially regard that work as being done by the states.

**Senator STERLE:** Thanks. Have you or has the department briefed the minister on the mouse plague?

**Mr Metcalfe:** We've certainly had discussions and briefed him about the work that CSIRO is doing and about the work that is being done by the states and territories and so on, yes.

**Senator STERLE:** Can you provide the committee with the dates that you did brief the minister and where those briefings were held?

**Mr Metcalfe:** Yes. I certainly recall that we've had discussions here in Parliament House over recent weeks about the matter both with the minister and with his office. I'll check to see if we can find specific dates, but they certainly have occurred. The reason I'm being slightly vague there is that we have a huge amount on our agenda across a range of fronts. It is certainly something that I discussed personally with the minister and that our staff have discussed with him, and we will if there is a record of when we actually did that. But I can put on the record that it has happened.

**Senator STERLE:** I appreciate that, Mr Metcalfe, because I really try to avoid every chance to put things on notice, because it just creates a heck of a lot of work for the office.

**Mr Metcalfe:** We appreciate that, Senator.

**Senator STERLE:** Can the department confirm if the minister has made representations to the department to provide any additional support for farmers in relation to the plague?

**Mr Metcalfe:** I'll take that on notice.

**Senator STERLE:** Is that because you need to clear it or you don't know?

**Mr Metcalfe:** That's because I'll need to check. But I will keep coming back to my point that the view of the Commonwealth is that the primary responsibility for these matters is with the states and territories—

**Senator STERLE:** You've made that very clear.

**Mr Metcalfe:** and that it's their job and they should get on with it.

**Senator STERLE:** Could you confirm if the minister has contacted any state or territory ministers?

**Mr Metcalfe:** I'll need to check on that as well.

**Senator STERLE:** Okay. I want to talk about the Tasmanian government seeking federal funds for its election commitment around some water projects. Who can I ask about that—the irrigation projects?

**Mr Metcalfe:** We will see if Ms O'Connell can assist. The reason I am slightly hesitant is that, of course, we are before the committee on Friday on water matters and we will have other officials then. But Ms O'Connell does have water amongst her many responsibilities. So I will see if she can assist at all.

**Ms O'Connell:** I do, and on Friday we will the cross-portfolio water hearings where we will have the whole water family across the Commonwealth together.

**Senator STERLE:** Yes, I am well aware of Friday.

**Ms O'Connell:** On the Tasmanian infrastructure projects for increased irrigation, unfortunately, the Water Grid Authority, which is part of the infrastructure department and portfolio is responsible for all of the infrastructure projects. We can go to them—

**Senator STERLE:** I understand, but I have to ask the question. It's great for states to say that they are going with the feds—but, if that's the case, I'm going to have a ball at the next election in WA making commitments that you guys are going to get if you win—not you, but Senator Ruston's crowd. So let me just try this. The Tasmanian government did announce in the state election that its state would require additional funding from the Morrison government. The first project the Tasmanian government is seeking funding of \$100 million from the federal government is to—and I quote—'supersize tranche 3 of the Pipeline to Prosperity to meet increased demand for the Don, Tamar, Sassafras, Northern Midlands and Fingle irrigation scheme'. The Tasmanian government's document also states: 'We are partnering with the Australian government to seek to invest more than \$309 million for phase 1 of tranche 3 of our Pipeline to Prosperity package.' Did they come and talk to this department?

**Ms O'Connell:** Senator, it isn't this department that they should come and talk to; they should go and talk to the Department of Infrastructure because that's where that was Water Grid Authority is.

**Senator STERLE:** That's fine.

**Mr Metcalfe:** I was in southern Tasmania in January and had a number of visits to farms in the Coal River area, which is one of the areas that has greatly benefited from additional irrigation infrastructure. There was a representative from the Tasmanian irrigation department—I forget the name—and they talked generally about plans to further develop irrigation projects in the area. So, to that extent, I have an awareness of it but, as Ms O'Connell says, any Commonwealth funding for water infrastructure projects would come through the National Water Grid Authority in the infrastructure department.

**Senator STERLE:** You've made that clear, but I still want to get it this really clear. So when you were down there having these meetings, Mr Metcalfe, and you met someone from the local authority, did they actually put it to you that they were seeking federal funds?

**Mr Metcalfe:** I would have to check. He was one of about five or six people when we were sitting around talking to a dairy farmer who had relocated from Launceston, further south, to take advantage of irrigation water, and he was very happy with the reliable water he was getting. I think it was implicit that the Tasmanian government would be seeking to access funds available from the federal government. There were not representations put to me, and we were all pretty clear that it was the Water Grid Authority that does that, and we were interested because we were thinking that that would be great; it means we can grow more crops and produce more milk and whatever. So it wasn't a technical discussion; it was more just information about the benefits that have been coming. That's a very long way of saying, no.

**Senator STERLE:** That's fine. I am really happy to hear—

**Mr Metcalfe:** I am just really searching as to the context.

**Senator STERLE:** Sure.

**Mr Metcalfe:** I want to be absolutely clear.

**Senator STERLE:** I am very happy to hear that, no, they haven't. I don't know who they spoke to, but we will chase that up, no worries. Alright, so they didn't speak to the federal Department of Agriculture, Water and the Environment. Do you know if they spoke to or anyone spoke to the minister for agriculture?

**Mr Metcalfe:** I would have to check as to whether they have spoken. Again, the minister for agriculture meets from time to time with state counterparts. I know, because I met when I was down there, Minister Barnett from Tasmania and he was very positive about the benefits of irrigation—

**Senator STERLE:** I bet he was. We could understand that.

**Mr Metcalfe:** I am sure you know that. Whether such a conversation has occurred, we will have to ask the minister.

**Senator STERLE:** Sure. If you would, please, if there was any representation from anyone in any department in Queensland or member of parliament—whatever—to the federal agriculture minister or his—

**Mr Metcalfe:** He is in Tasmania, I think.

**Senator STERLE:** He's from Tassie?

**Mr Metcalfe:** Yes. We will have to check personally with the minister and see what he can say about it.

**Senator STERLE:** That's good. By the same line of questioning, that would also go to the second Tasmanian irrigation project as well. I tell you what: if they keep having fun like that, I am going to that side of the building.

**Senator Ruston:** You're welcome.

**Senator STERLE:** That is the House of Representatives people all having a laugh out there; obviously, the work is done in this side of the building.

**CHAIR:** That is exactly right, Senator Sterle.

**Senator Ruston:** Any time you like—happy to leave.

**Senator STERLE:** I was just joking; I am staying here. Mr Metcalfe, there was a second project that was espoused that the Tasmanian state government is going to partner—or wants to partner—with the feds for a big hunk of money too. It is called 'the largest irrigation schemes Tasmania has ever seen—the South East extension scheme'.

**Mr Metcalfe:** That may well be the one they mentioned when we were there.

**Ms O'Connell:** We were talking to farmers and they were obviously supportive of the benefits that irrigation has delivered to the farm and were supportive broadly of the initial stages of the Tasmanian irrigation scheme. But there was never an approach because there was a recognition we were there from the agriculture department. We do not have responsibility for water infrastructure; that is with a different entity and a different minister., so there were not direct approaches saying, 'How about you do this?' It was more broad support for the benefits of irrigation for the agriculture sector, so not direct.

**Senator STERLE:** Well, they are certainly slipping up because if you had come to my farm, I would have been in your ear and you wouldn't have left.

**Mr Metcalfe:** We certainly were convinced of the benefits. As an aside, we went to a very successful family company that transformed themselves from producing eggs into producing lettuces and salad leaves. It was an extraordinary story of agricultural innovation possible because of reliable water and that was the absolute key.

**Senator STERLE:** I will put those same questions to you without me repeating myself.

**Mr Metcalfe:** Sure.

**Senator STERLE:** It will save time because there are other senators that want to ask questions. All those same questions go to this scheme as well. Also I would add on to that, if the Department through you, Mr Metcalfe, could confirm whether the members for either Braddon, Bass, or both, have put the proposal for funding the irrigation schemes to the federal minister for agriculture.

**Mr Metcalfe:** We will take one on notice.

**Senator STERLE:** Yes, follow that up. And if they were, what dates, please. I would also ask, through you, Mr Metcalfe, if the department could ask the minister if anyone in the Tasmanian government had made any approach to the federal minister for additional funding for these two schemes.

**Mr Metcalfe:** Do you mean minister for agriculture?

**Senator STERLE:** What did I say?

**Mr Metcalfe:** You just said 'minister'.

**Senator STERLE:** I meant minister for agriculture. Why? Is there another minister that has been approached?

**Mr Metcalfe:** No, well—

**Senator STERLE:** It's alright—

**Mr Metcalfe:** The Water Grid Authority and the Commonwealth funding for water infrastructure sits with the Deputy Prime Minister.

**Senator STERLE:** Well, let's ask there, too.

**Mr Metcalfe:** I am sure you can ask that department those questions.

**Senator STERLE:** Okay. Now I want to go to workforce funding in the budget, Mr Metcalfe. Who can we annoy there? I'm sorry—I can't read your name that far away.

**Ms Deininger:** Oh, sorry. Rosemary Deininger.

**Mr Metcalfe:** Ms Deininger.

**Senator STERLE:** I should know, Ms Deininger. Sorry. It's just that you all look younger each year. Can the department confirm how much of the \$29.8 million allocated in the budget for workforce measures is available for this financial year for workforce measures?

**Ms Deininger:** I will just refer to my budget papers. Please bear with me.

**Senator STERLE:** Sure. No worries. Come on! I'm joking.

**Mr Metcalfe:** We're just making sure we've got the right figures.

**Senator STERLE:** No, I'm only joking.

**Mr Metcalfe:** It is in Budget Paper No. 2.

**Senator STERLE:** Take your time. It saves all that hassle of going back to the department and then coming back to us later. You've got more important things to do than take QONs. So that's \$29.8 million.

**Ms Deininger:** Yes. There are two broad measures. One is called AgAttract and one is called AgFair.

**Senator STERLE:** And these total \$29.8 million between them?

**Ms Deininger:** Yes, that's right. I've got a more detailed breakdown. I just need to collate some numbers, so do you mind if I just come back?

**Senator STERLE:** Do that, because my questions will go to the breakdown anyway as we flow through. Do that. That's fine.

**Ms Deininger:** Thank you, I have it here. My apologies.

**Senator STERLE:** You don't have to apologise at all, Ms Deininger. It's coming together beautifully.

**Ms Deininger:** In relation to AgAttract, the spending in 2021-22 is \$10.6 million, in 2022-23 it's \$8.94 million, in 2023-24 it's \$2.712 million, and in 2024-25 it's \$2.854 million. So the total there is \$25.156 million. For AgFair, the spending in 2021-22 is \$1.688 million; the spending in 2022-23 is \$1.275 million; in 2023-24 it is \$0.86 million; and in 2024-25, it is \$0.765 million, for a total of \$4.588 million.

**Senator STERLE:** That's great. Thank you very much. I will go on to ask if you can explain to us why the \$25.16 million for AgAttract is over four years.

**Ms Deininger:** A number of the measures—for example, the career start program and AgUP, which is around trying to encourage people into agriculture and encourage skilling and upskilling of people in agriculture—tend to go for longer periods, because it's a measure where you need to build the capability of people and build interest in the sector. Other measures are more front loaded, if you like, in the first two years, and that's why you see the funding of \$10.65 million and \$8.9 million in those first two years and then it drops away. So there is a front loading in those first two years. Certainly the AgUP program, which is around training and skilling, is one thing that drives that extra spending in 2023-24 and 2024-25.

**Senator STERLE:** Okay. I should ask: What else does AgAttract tend to assist farmers with? What's the whole program about? That's what I should have started with. Sorry about that.

**Ms Deininger:** There are a range of different measures in that whole package. There's some additional funding for ABARES forecasting. One of the things we've talked about previously in the committee is around understanding the needs of farmers and the sector. There's some additional funding for that kind of work. Previously ABARES has received additional funding for that kind of more detailed work, particularly in relation to the horticulture sector, where the labour pressures have become more pronounced.

There's also some work around the development of agricultural career information and maps. What we know in agriculture is that the kinds of jobs that are becoming available are changing. They're becoming more technologically focused, they're becoming more data enabled. Really, we need to make sure that we understand those careers and can promote those careers to young people who might be looking at doing certificate training or training through our university system, and also maps as to where those jobs are. Related to that, there's some funding for the reclassification of the Australia New Zealand statistical standards that the ABS is doing. Again, that's related to the census and making sure that the information we're collecting in the census reflects modern careers, jobs and skills in agriculture.

There's also some work in relation to community perceptions around agriculture and working in agriculture.

**Senator STERLE:** Community perceptions?

**Ms Deininger:** Yes, and worker experience. The final two, which are the more significant in terms of overall funding, are AgCAREERSTART, which is really around a gap-year program, which is about trying to match employers and employees so that people can either have a gap year in agriculture and then perhaps go to university or go into other training or maybe start in agriculture through that program and then continue. The AgUP program is really about skilling. It's a program designed where farming and agriculture businesses would work with education and training providers and with the states and territories to, again, improve skilling, education and training to workers. These measures would be described as in tandem with the work we're doing on things like the PLS and the Seasonal Worker Program, which is more around seasonal work and the more manual work. This is also about careers in ag. That was something the Azarias report commended.

**Senator STERLE:** I'm flying blind here, so help me out. Apart from the career start gap year, a little bit of funding there, how much is put aside for that career start gap year thing?

**Ms Deininger:** \$5.289 million over four years. But it's frontloaded mainly in the first two years. AgUP is \$10.071 million over four years.

**Senator STERLE:** What I'm trying to get to is the serious shortage that we've got at the moment. I understand, and it's good to see, there's funding put aside to attract people into longer term careers, scholarships, training, traineeships and all that, but in terms of getting the crop picked now—I think about 50 million has been identified that has gone back into the ground and hasn't been picked. That was from AgForce or someone. You will tell me if I get it wrong. The gap year thing, can that funding of \$5.289 million over four years be spent for farmers to get their crop picked?

**Ms Deininger:** The programs for the focus on seasonal labour are really the ones that have already been in train, and been in train for some months. That's the Pacific Labour Scheme and the Seasonal Worker Program. Also there are a range of measures around visas and making it possible for people who are already in Australia on visas to stay. Then there are a number of measures to encourage domestic workers to move into agriculture. That's one, if you like, area of work. This is an additional area of work around skilling and careers of the future. They're complementary; they're not designed as an either/or.

**Senator STERLE:** That's right. You've just answered my question. Farmers can't access some of that \$5.289 million over the next four years. Actually, let's break up the four years.

**Ms Deininger:** They will be able to access that funding and get some people to undertake a gap year, but it's not going to meet the demand for seasonal workers.

**Senator STERLE:** I got that. I understand that it's going to cost a lot more than \$5.289 million over four years. But in terms of the gap year career start, it's not designed so that a farmer can say, 'I really need to access some funding to get someone out on the farm to pick my crop.' They can't go to government and ask, 'Can I have some of that money in the first year, second year, third year or fourth year out of that \$5.289 million?'

**Ms Deininger:** It's designed for a different purpose.

**Senator STERLE:** That's right.

**Mr Metcalfe:** One thing that I think is important here is the AgFair program, which is about encouraging and helping employers to adopt best practice workforce management to help attract employees. There has been this issue amongst some employers of not doing the right thing or perhaps not understanding what they need to do to do the right thing. There has been some media coverage about exploitation, bad living conditions or whatever. I know that the National Farmers Federation and others are very focused on providing information to farmers who employ labour to ensure that they are meeting appropriate award conditions and treating their workers well and with respect. Indeed, I recently had a roundtable with senior leaders from the horticulture industry, and we talked about that very thing. But, given the reality in the hopefully small number of cases and the perception, I think that the AgFair program, which is about ensuring that there is a good understanding of what appropriate practice should be, is something that will be relevant for that short-term workforce as well.

**Senator STERLE:** Thank you. Mr Metcalfe, let me tell you, I'm from the trucking industry. We would bleed rivers of blood for the government to give us \$29.8 million to replicate what has been done in the agriculture industry. That's great. There are no dramas. We're the second-class citizens out there. We just get the stuff off the farm and to the market. We don't matter.

**Mr Metcalfe:** Trucking is a very important part of the whole equation.

**Senator STERLE:** Jeez, I wish you were the transport and planning minister! I won't digress too much. Come back to the \$5.289 million. Can you break that figure up for me over four years, Ms Deininger? How do I get my hands on \$29.8 million for the road trucking industry?

**Ms Deininger:** For AgCAREERSTART, the funding in 2021-22 is \$2.215 million. In 2022-23 it's \$3.072 million. In 2023-24 it's \$0.002 million. In 2024-25 it's zero. That's why I mentioned that the career start program is front loaded to those first two years.

**Senator STERLE:** No problem. Let's explain the \$4.6 million for AgFair funding over the four years.

**Ms Deininger:** There are two aspects to the AgFair program. The first is funding for Fair Farms. Previously, the government has provided funding to Growcom to run training and education services for the agriculture sector to make sure that employers are aware of their obligations under the various industrial relations provisions. There is funding for Fair Farms, which is \$3.602 million over four years. That's spread fairly evenly. Then there is also some additional funding, of \$986,000, for some workforce management and planning resources, which is really an information set which would be available publicly for business to understand their obligations.

**Senator STERLE:** That's good. Tremendous. Chair, I have a lot to go. Do you want me to rest these vocal cords?

**CHAIR:** Would you mind, Senator Sterle? Rest your dulcet tones.

**Mr Metcalfe:** While transitioning to another Senator: Senator McCarthy, I now have a copy of the department's reconciliation action plan and the speaking notes that I've used for a prerecorded video to launch it tomorrow. I'll provide that to the committee, and they might provide copies to you.

**Senator STERLE:** Is it embargoed until tomorrow?

**Mr Metcalfe:** I'm sure that the more publicity it gets the better, but we're launching it tomorrow as part of the beginning of Reconciliation Week.

**Senator McCARTHY:** We will happily display that. Thank you, Mr Metcalfe.

**Senator FARUQI:** Good morning, everyone. I'll start with some questions about the development of the national poultry standards and guidelines. As far as I know, the process has been ongoing since 2015. Many thousands of people made submissions during the public consultation period in 2018. I also understand that the vast majority of those submissions were calling for an end to battery cages for egg-laying hens. I understand that the department took over the management of that process a couple of years ago and set up an independent panel to finalise the standards. Is that correct?

**Ms Deininger:** That's correct in the broad. The way the standards and guidelines are being progressed is that the government, in consultation with the states and territories, has appointed a three-person panel to develop the guidelines in consultation with industry. They did take into account, review and so on the literature reviews and the work that had already been done. This is where we're up to. The panel has undertaken that work. Some draft standards and guidelines were consulted on earlier this year. We received around 900 submissions in relation to that. There was also a regulation impact statement undertaken as part of that. We're expecting the draft standards and guidelines to be provided in June to the secretary's committee.

**Senator FARUQI:** To which committee, sorry?

**Ms Deininger:** The agriculture secretary's committee. This is work that is done really for the states and territories because they are the ones who legislate the standards and guidelines, rather than the Commonwealth. The regulation impact and the draft standards and guidelines will be provided to secretaries and then there will be an opportunity in due course for ministers to discuss that.

**Senator FARUQI:** Has the panel completed the standards? Has that happened?

**Ms Deininger:** We're expecting them in June, so I expect that they are very close.

**Senator FARUQI:** So you don't have any recommendations from the panel yet?

**Ms Deininger:** We have seen the draft standards and guidelines. In the draft there were proposed changes—for example, to allow ducks to have more water for bathing and so on and to provide larger cage sizes and enrichment in cages—so the draft standards and guidelines did canvass or recommend changes. That's what went out to the public for consultation and feedback.

**Senator FARUQI:** Are you going to release the standards that go to the secretary?

**Ms Deininger:** That will be a matter for ministers. At the moment it's still with the panel.

**Senator FARUQI:** Do you know if the panel is recommending the phase-out of battery cages?

**Ms Deininger:** I don't know. These matters are still being worked through. As I mentioned, the submissions are being responded to, the draft standards and guidelines were released and we're awaiting the final report from the panel.

**Senator FARUQI:** That was my question: will that final report be released publicly?

**Ms Deininger:** I think that's a matter for ministers.

**Senator FARUQI:** I just want your view on that because surely the public have a right to know what goes to the ministers from this panel. As I understand it, 157,000 people made submissions to the process over the last three years. Surely they have a right to know what the panel recommendations are.

**Ms Deininger:** Certainly there has been a very extensive consultation process not only with the panel arrangement but with—

**Senator McKENZIE:** The campaign I would suggest. The consultation process from the panel and the campaign from Senator Faruqi's—

**Ms Deininger:** Yes, there was some earlier feedback that was very substantial.

**Senator FARUQI:** But you're still not going to release them, and that's a decision that—

**Ms Deininger:** It's not a decision for me or the department; it's a decision for ministers.

**Senator FARUQI:** I will move on to a few questions on the state of our national standards for livestock welfare. We saw in the media last week that there are some tensions with the free trade agreement negotiations with the UK, particularly around concerns that the British have about our poor standards of animal welfare. Are you able to tell me what particular standards those concerns relate to?

**Ms Deininger:** The free trade negotiations are being undertaken by colleagues in Foreign Affairs. I can give you an update on the livestock at processing establishments work that is being led by Queensland. But I think it's probably best for questions on free trade agreements to go to Mr David Hazlehurst; that's under outcome 4.

**Senator FARUQI:** I want to ask questions particularly of the policy division because my questions are related to the process of developing the national livestock welfare standards, hence I ask this question. I have other questions for the trade division later.

**Ms Deininger:** The work on the livestock at processing establishments standards and guidelines is being led by Queensland officials. They have employed a consultant to undertake a literature review of work to date and the science in this area, which Queensland have advised we can expect at the end of this year. Then the next step would be to do the standards and guidelines.

**Senator FARUQI:** So you don't know what the particular concerns are with the free trade agreement in relation to animal welfare standards with the UK?

**Mr Metcalfe:** The knowledge on that issue is with our colleagues in the trade and international area. They'll be with us later today.

**Senator FARUQI:** Okay; I'll ask that question there. Do we, at the moment, have nationally consistent and enforceable standards for livestock welfare at all?

**Ms Deininger:** These are all done state by state. In relation to livestock at processing establishments, I'll need to double-check. My understanding is that individual states have existing guidelines, but I will confirm that. The idea of this work around standards and guidelines is to make them consistent—

**Senator FARUQI:** That's what I am asking: do we have nationally consistent standards?

**Ms Deininger:** No, because this is the process to seek to achieve that in the same way we would seek to achieve that with poultry.

**Senator FARUQI:** Is it true that the national sheep and cattle standards, endorsed by agriculture ministers for implementation five years ago, in 2016, have still not been implemented in seven out of eight states and territories?

**Ms Deininger:** I'll need to confirm that. As we've discussed, the states and territories are responsible for the legislative provisions and the regulations which implement the standards and guidelines—

**Senator FARUQI:** Sure, but, federally, we want nationally consistent standards. What is the role of your department in making sure that happens?

**Mr Metcalfe:** On these national issues, ours is a leadership and facilitation role. Ultimately, it's a matter for the states and territories as to what happens within their jurisdictions. It's exactly the same issue as we're seeing with the human pandemic, where each state and territory has different arrangements in place but where the



national government is trying to provide overall national coordination and leadership. Ultimately, we can't make them do things because the Constitution means that they're responsible for those things. We try to provide that coordination and leadership.

**Senator FARUQI:** You said that Queensland is leading this process of consistency in national standards?

**Ms Deininger:** In relation to livestock at processing establishments; that's right. The Commonwealth is working with the panel in relation to the poultry standards. We are seeking, by having the panel, where the panel members were agreed by all states and territories, to find a way of developing standards and guidelines that would be able to be implemented in a consistent way. As Mr Metcalfe says, it is entirely up to the parliaments of each of those jurisdictions as to what laws they pass on these matters.

**Senator FARUQI:** But what is the leadership shown by your department on this? You said you have a leadership role. What's the leadership being shown, what's the process and what's the time line?

**Mr Metcalfe:** Ms Deininger can add to what I'll say. Something that is a long-term feature of the way agriculture departments work together is: quite often, there'll be an agreement that one particular jurisdiction will take the lead on an issue and provide that focus, and others will focus on other things so that we can all benefit from that activity. The leadership in relation to poultry and livestock standards is one example. We talked earlier about the agenda for the forthcoming agricultural ministers meeting. The issue of climate change in agriculture is something that Victoria has been leading on. So it's effectively cooperative federalism, where particular states and territories take the lead on issues and do the work, and the others can fall in behind that as they wish. The Commonwealth role is as a facilitator and a leader to try and have everyone heading in the same direction but knowing they can all go in their own direction if they wish.

**Senator FARUQI:** It's not much leadership if it's been five years and we still don't know a time line. It seems a very ad hoc process.

**CHAIR:** I think the frustration of our structure is felt across many jurisdictions.

**Senator McKENZIE:** And many areas.

**Senator FARUQI:** Sure. We know what the structure is, and we have to work with that structure, and it has been years since we have had these—I guess my next question is: what damage do you think is being done, because of this extensive coverage of Britain's concern about our poor and non-existent standards, to Australian international farming reputation and to our clean green image per se?

**Ms Deininger:** I think the matters in relation to the FTA and negotiations on Australia's position are best put to DFAT or outcome 4.

**Senator FARUQI:** You've explained this process. It seems very ad hoc to me, even given the system that we have. Are there any plans for the Commonwealth government to take a more active role in leading and coordinating the states and territories in developing these nationally consistent animal welfare standards in the future?

**Ms Deininger:** I might just add to some comments Mr Metcalfe made earlier. In the past, we had a series of working groups of officials who sought to progress the standards and guidelines, and take on feedback from industry and community in relation to those standards and guidelines. It was the Commonwealth's leadership that suggested having a panel of experts. We have three experts from different sectors, including animal, with experience with the RSPCA and so on, on our panel to try and make sure we are able to take on different views and bring that science and leadership, through that panel and that seniority, to the task. Ultimately, it is a matter for individual jurisdictions as to whether they legislate these things, but we are bringing a model to the table of having an eminent panel to seek to find a way through on these matters.

**Senator FARUQI:** Mr Metcalfe, you said the trade market access division is in outcome 4?

**Mr Metcalfe:** It is outcome 4. We are certainly happy to talk about this there. On the point you made earlier: I think the proof is in the pudding. We are exporting more agricultural produce overseas than we ever have. Indeed, 90 per cent of the food that Australians eat is produced by Australian farmers, and the rest of that food feeds a total of 80 million people around the world. So our agricultural produce is regarded as very high quality and produced to very high standards, and we are producing more of it into more markets. We should be very proud of the quality of the food and the way it's produced. That's not to say that we can't always continue to look to improve the way we do it.

**Senator FARUQI:** And we're being questioned at the moment in Britain about our animal welfare standards.

**Mr Metcalfe:** There is a trade negotiation underway.

**Senator McKENZIE:** That implies that, as a country that has some of the highest animal welfare standards in the world, there is something wrong with it. We're in a trade negotiation, and they're seeking to get any political and economic advantage—

**Senator FARUQI:** I'm not here to have an argument with you; I'm here to question the department.

**Senator McKENZIE:** I would hate for people out there who may be tuning into Senate estimates to think there is somehow an issue with our animal welfare standards.

**Senator STERLE:** Point of order: every senator has the right to ask whatever questions they like, whether you like it or not, Senator McKenzie. You are not the minister at the table. You are not an official. Chair, would you encourage Senator McKenzie, who only appears at this committee to get the odd photoshoot now and again in estimates and does no heavy lifting, to go and find somewhere else to annoy other people while this committee is doing fine, hard work.

**CHAIR:** Thank you very much for that contribution. Senator Faruqi, do you have more questions?

**Senator FARUQI:** I do, thank you.

**Mr Metcalfe:** I'm sorry, Senator. I misled you. The issues relating to this are actually under outcome 3.

*Senator McKenzie interjecting—*

*Senator Sterle interjecting—*

**Senator FARUQI:** Sorry, I can't hear anything, Mr Metcalfe.

**Mr Metcalfe:** Chair, I made a mistake. It is in fact outcome 3, which we're now in, where these issues could be discussed, so I can ask other officials to come to the table in relation to the discussions that are underway and that you've referred to.

**Senator FARUQI:** Sure. I have some questions for you also. Maybe we can finish those and then come back to you if that's alright.

**Mr Metcalfe:** Yes, for sure. Thank you. My apologies, Senator.

**Senator FARUQI:** I understand that the department provides funding to rural research and development corporations—like LiveCorp, Meat & Livestock Australia, Australian Eggs Limited, Australian Wool Innovation and others—to undertake research activities for their respective industries and that most of the funding agreements include clauses that preclude public funding from being directed towards agripolitical activities, including activities intended to influence public policy. Could you please explain how the department ensures compliance with these provisions?

**Ms Deininger:** Thank you, Senator. In relation to the research and development corporations, we have regular engagement with them. As you mentioned, there is a funding agreement. The amount of levies matched by the Commonwealth is in legislation. There's no discretion that the department has in terms of doing that. We have things like regular meetings and regular engagement. There are regular performance reviews and, within the funding agreements, opportunities for audits. So there are a range of mechanisms that are available under the performance agreements with the RDCs.

**Senator FARUQI:** To ensure that the compliance is being met?

**Ms Deininger:** Or to investigate particular issues of concern if they arise.

**Senator FARUQI:** Could you please explain to me, then, how the publicly funded RDC Australian Eggs Limited has been permitted to fund an industry representative body known as Egg Farmers of Australia which, as far as I know, actively lobbies governments against passing laws to phase out battery cages for egg-laying hens, among other things?

**Ms Deininger:** I don't have any information in relation to that particular transaction or funding arrangement. I'm happy to take that on notice.

**Senator FARUQI:** Yes.

**Ms Deininger:** I don't believe that that RDC is appearing tomorrow, so I'm happy to take that on notice.

**Senator FARUQI:** Please take that on notice. I'm also interested in the activities of the largest RDC, Meat & Livestock Australia, which received, I must say, an astonishing \$195 million in levy and government funding in 2020-21. What would the department do if this funding were being used to promote misleading and dubious claims about animal welfare in Australia?

**Mr Metcalfe:** Senator, you used the word 'astonishing' in terms of the amount of funding. The reason that the RDC is receiving that funding is that it represents the interests of producers of red meat—meat livestock—which,

of course, is Australia's biggest agricultural industry and is a very important part of our agricultural fabric. The success of the beef, sheepmeat, goat and other industries is reflected in the exports that I referred to earlier. So it's not surprising that the levy funding arrangements are actually producing a large amount of money for that organisation.

**Senator FARUQI:** My question is, though—

**Mr Metcalfe:** In terms of your question, I'll let Ms Deininger answer that.

**Ms Deininger:** MLA are, I believe, appearing before this committee tomorrow, so probably the question is best directed to them. I don't have that level of detail.

**Senator FARUQI:** No, it wouldn't be directed to them, because it is the department's responsibility. You said you ensure that compliance is being met with the funding, so my question is to the department: what would you do if this funding were being used to promote misleading and dubious claims about animal welfare in Australia? I'm not sure if you are aware, but the MLA is funding groups like the live export PR entity, the Livestock Collective and the Global Meat Alliance and also the Red Meat Green Facts website, and there are claims that these companies are engaging in agripolitical activities. So have you investigated those.

**Ms Deininger:** I'm not aware of the particular matters that you raise. I'm happy to take that on notice. Of course, they are also matters that you could raise with MLA tomorrow.

**CHAIR:** I think they are matters to hold over until tomorrow if the department is not able to answer those questions specifically, but we do need to clarify the difference between advocacy and education.

**Ms Deininger:** That's right.

**Mr Metcalfe:** And if there was a serious and credible claim that they were doing the wrong thing, of course, we would investigate that. But I'm not aware of any such claims being made. I would suggest, Senator, that you address questions to MLA. We'll let them know that you'll be asking questions about that. If, as a result of that, it becomes apparent that there are issues for the department to consider, we of course will. But I'm not aware of anything that requires any action from us at this stage.

**Senator FARUQI:** Okay. So you haven't come across anything in ensuring compliance that you are concerned about?

**Mr Metcalfe:** We will take on notice and absolutely check that we haven't, but it is not something that we at the table are familiar with.

**Senator FARUQI:** I have a few questions on the horse traceability register.

**Ms Deininger:** That's a matter for our biosecurity colleagues, which might be outcome 4.

**Mr Metcalfe:** Yes, it is outcome 4.

**Senator FARUQI:** Even when they are questions about policy?

**Mr Metcalfe:** That's right.

**Ms Deininger:** Our biosecurity area is leading on that horse traceability work with colleagues from the states.

**Senator FARUQI:** Okay; I will leave that to outcome 4. Chair, if it is alright, I have a few questions on trade, markets and access.

**CHAIR:** That is 20 minutes. If there were very few questions, that's fine, but we do have other senators waiting.

**Senator FARUQI:** There are just a few questions, but I can always come back.

**Mr Metcalfe:** We will ask those officers to come forward now, Senator.

**Senator FARUQI:** Thanks. I have seen in the media over the last week some tensions emerging in the UK about our free trade agreement and our, I guess, lax standards for animal welfare. Can you tell me what these particular concerns are—

**CHAIR:** Senator Faruqi, I was just going to ask you to watch your language around the description of animal welfare standards in Australia. If you could just rephrase your question—

**Senator FARUQI:** Sorry; what was that, Chair?

**Senator McKENZIE:** You said 'lax'.

**Senator FARUQI:** And they are. We got a D ranking just recently in the World Animal Protection Index.

**CHAIR:** Ask your question, but I think Australia works very hard on its animal welfare standards.

**Senator FARUQI:** I don't agree with that.

**CHAIR:** Please go ahead and ask your questions of the department.

**Senator FARUQI:** My question is, as I said: are you able to tell me what those particular standards in Australia are that the media in the UK are concerned about?

**Mr Hazlehurst:** The detail of the negotiation is happening with the Department of Foreign Affairs and Trade. In broad terms what I can say about that is that there have been some assertions made during the negotiations in general terms about animal welfare standards, and Australian officials have been at pains to point out our animal welfare standards are framed differently but they are of equivalent or even stronger levels of standards compared to the UK. So, in terms of the detail of those negotiated matters, I'd have to take that on notice or you would need to ask the officials in Foreign Affairs and Trade who are actually undertaking those negotiations. But, in broad terms, the answer is that we have rejected those claims in the course of the negotiations.

**Senator FARUQI:** The media says that it's sow stalls, which have been banned in the UK since 1999, battery cages, mulesing and those sorts of things. I'm just concerned that this is doing damage. Are you concerned that this will do damage to Australia's international farming reputation?

**Mr Metcalfe:** We'll be really careful here this morning because I think we're close to finalisation of trade negotiations on what would be a very important free trade agreement for Australia, and we obviously have high hopes in relation to much better access for Australian agricultural products. All I'd say is that there are many constituencies involved in issues associated with trade negotiations and many people say many things which may or may not be true. But, as Mr Hazlehurst indicated, we believe that it is not correct to label Australian produce as substandard from that point of view. Indeed, we're very proud of the quality of the produce that we'll be providing into the UK market and believe that it should be able to compete fairly, in the same way that Australia is such an open market for so many products.

**Senator FARUQI:** Mr Metcalfe, it is a fact, though, that we in Australia are hanging on to outdated practices, like battery cages, sow stalls and mulesing. My question is: is it worth hanging onto those practices to risk our international reputation or is better to change those practices?

**CHAIR:** Senator Faruqi, I'd just reflect on what the secretary's comments were around the sensitive period of time that we're in with the free trade negotiation. I think that these comments are probably something that we can reflect on at another time. I think your opinion on this matter is one that is not best representing Australia at this point.

**Senator FARUQI:** I'm just stating facts.

**CHAIR:** I appreciate your view.

**Senator FARUQI:** I guess my question then is: is anything being done to address these issues and provide assurances to the UK government? It's not my questioning that's a problem; it's our laws and outdated practices that are the problem. So I just want to clarify that.

**CHAIR:** I would suggest that it's potentially our competitors who are making these allegations.

**Senator Ruston:** Chair, in the interests of perhaps getting a more satisfactory outcome for everyone around the table, perhaps you might like to suggest to senators that actually asking questions instead of making emotive statements would probably solicit better answers.

**Senator FARUQI:** What is being done to address these issues and provide assurances to the UK government?

**Mr Metcalfe:** I think Mr Hazlehurst indicated that we reject many of the claims that are being made, and we have provided very detailed information about the true situation. You have mentioned a series of practices, and we will have the various research and development corporations with us through the course of tomorrow who no doubt could talk about particular practices associated with animal welfare in their industry and how they are being worked through and alternatives are being found.

You mention one particular practice in the wool industry associated with mulesing sheep. I have personally seen the impact of flystrike on a sheep. It is a terrible thing and it represents a terrible form of pain and suffering. The methods associated with dealing with that have attracted great controversy, and a lot of research is being done to provide pain relief and other methods. I'm sure Australian Wool Innovation could talk about that tomorrow. I'm just saying that, as far as trade negotiations are concerned, there are a range of constituencies and we believe that there would be a very good arrangement for both the UK and Australia if we can achieve a free trade agreement and we believe that all decisions should be based on facts rather than media articles.

**Senator FARUQI:** This is my last question.

**CHAIR:** I am sorry, Senator Faruqi, but this is the end of your time. Senator McKenzie, you will take us through to the break at 11 o'clock.

**Senator McKENZIE:** I have some questions on forestry.

**Mr Metcalfe:** Chair, we were expecting the Minister for Forestry and Fisheries to be the minister at the table for those questions.

**CHAIR:** Shall we do that after the break? Is that when he is proposing coming?

**Senator McKENZIE:** I will wait until after the break.

**CHAIR:** Thank you. Senator Ciccone or Senator McCarthy, do either of you have six minutes of questions?

**Senator McCARTHY:** Absolutely. I want to go back to workforce measures, Mr Metcalfe. Can the department confirm if it made representation to the minister on other workforce measures that went to supporting farmers to pick their products now?

**Mr Metcalfe:** Sorry, I'm having trouble hearing, Senator. Other measures that went to the minister in relation for workforce issues for right now? Was that—

**Senator McCARTHY:** That's right.

**Mr Metcalfe:** The short answer is that there are very active and ongoing discussions with the minister associated with agricultural workforce availability issues. It's something that he thinks about a great deal and that we talk with him about a great deal. So the answer is: yes, there have been.

**Senator McCARTHY:** When you brief the minister, that's just a general briefing. Or are they in written briefs to the minister?

**Mr Metcalfe:** Some of them can be very general. Some of them can be quite specific about the needs in particular industries. Ms Deininger provided evidence earlier about the ongoing work that we've had with a range of departments and government agencies. Ultimately, the department of agriculture doesn't have direct hands on the policy lever. We work very closely with the Department of Foreign Affairs and Trade; the Department of Home Affairs, in relation to visa issues and whatever; the Department of Education, Skills and Employment; and the Department of Social Services, in relation to Australian workers and what measures might serve to attract people to take up jobs in the bush; and we work closely, obviously, with the state and territory governments because, effectively, they are the people who access the availability of Pacific island workers and others to come into Australia. So, again, we sit in the middle, very conscious of the needs of our agricultural industries, particularly our horticulture industries, and we are working very closely. This is an issue that is a daily piece of work for us.

**Senator McCARTHY:** In the short time that we have left, I will ask specifically, first, about the Northern Territory, in terms of the issues we face in the Northern Territory. What kinds of briefings have been provided in relation to the NT?

**Ms Deininger:** In relation to the NT, because of the seasonal patterns, they were, in fact, the first jurisdiction to benefit from the reopening of the Seasonal Worker Program and the Pacific Labour Scheme. We had, I believe, two planes come into Darwin as the first opening up of those schemes, and those workers were quarantined in Howard Springs. Really, that was a pilot that then set the pathway, as it were, for other jurisdictions to follow suit and be able to work with industry, with employers and industry representative groups, with departments at the Commonwealth level, with the state chief health officers and with the state jurisdiction to then be able to facilitate those flights. So, certainly, I would say that the NT and the NT officials have been very forward leaning on those programs and have really paved the way for other states to be able to do that as well.

**Senator McCARTHY:** What was the learning from the Northern Territory being the first? What were some of the things that worked and what didn't work?

**Ms Deininger:** I think the key thing that we are emphasising to the states and territories, and also to employers, is the need to advise early and to understand early what your labour market needs are, because there are lead times. We do have checks and balances in the system. We do need to market test the jobs to make sure that there aren't domestic workers who are able to fill those jobs. We need to negotiate the quarantine arrangements and make sure there are places available when, of course, there are others—returning Australians, for example—who are seeking quarantine places. We need to work with the relevant countries in our region and with the airlines and so on. So I think our key learning is the importance of those close and very open relationships and dialogue between all the players to make sure that it's as smooth as possible.

**Senator McCARTHY:** We're in the middle of the dry season now, certainly for the Top End, so the issue is probably more around tourism and hospitality. But when you talk about advising early, what time frame is early? Are we talking two months, three months, six months? How long is it, when you talk about advising early?

**Ms Deininger:** I'll see if Ms Stanion would like to answer that. It may depend on the particular circumstances, because, of course, once workers are in Australia, the other thing we've been trying to do is make sure that if workers come into the NT they're readily able, once the season finishes there, to move into Queensland and then further south. Aside from making sure that there is good entry of workers into Australia, there is making sure that, once workers are here, they are able to be moved to where the harvest is. I'll just see if Ms Stanion is able to advise a bit more about those negotiations and discussions early on in the program.

**Ms Stanion:** The Department of Education, Skills and Employment, DFAT and Home Affairs generally need at least six weeks to process all of the paperwork, the recruitment plans and the visas for Pacific workers. Usually around 10 weeks is what we expect, but I was in the Northern Territory last week at a National Farmers Federation forum and industry, the NT government and the Commonwealth departments are already working on arrangements for this harvest season. They're looking at developing recruitment plans and doing the labour market testing for the numbers of workers that they'll need for this time and also looking at options for quarantine. Certainly, that work is well underway. As Ms Deininger noted, we learnt a lot from last time, and it was the first beneficiary, so that was a really good opportunity to test how well it worked.

**Senator McCARTHY:** I have one final question before we break. What about domestically—say, for example, other programs in our regions, like the Community Development Program—for those looking for work and communities who want to work? What kinds of incentives and what kinds of programs are being drawn up to try to attract the local domestic market, especially in regional and remote Australia?

**Ms Deininger:** The government has implemented a number of measures to try to encourage domestic workers to work in the agriculture sector. One of those was in relation to relocation assistance. There was also a hiring credit for businesses who employed younger people between 16 and 35. There were also some changes to youth allowance and Abstudy independence eligibility criteria that meant that you were able to access the payment as an independent student, which is a higher payment, more easily if you'd spent some time in agriculture. Certainly, there are things that the government is doing to try to encourage domestic workers who are available to move into agriculture.

**Senator McCARTHY:** I'd like to follow up on that. I'm happy to do it after the break.

**CHAIR:** Thank you very much, Senator McCarthy.

**Mr Metcalfe:** I think Senator Sterle had questions about food waste and soils. I can advise that those officials are now in the building, so, when the committee would like to come back to that topic, we could have the right witnesses here.

**Senator STERLE:** Tremendous. I think we'll finish with Senator McCarthy's line of questioning. We still have a bit more to go, but they're here.

**Mr Metcalfe:** They're available when you'd like them.

**CHAIR:** Terrific. We're going to have a break.

#### **Proceedings suspended from 11:02 to 11:17**

**CHAIR:** Welcome back.

**Mr Metcalfe:** There is something I would like to read into the record, when I have a moment. I haven't got it brought in, but there are some formal comments we have made in relation to the UK FTA that I think might be useful for me to place on the record before this committee, but I can do that at any stage. I'm just waiting for it to be printed out, so I can read it.

**CHAIR:** Okay, when you have that to hand, let me know and we will do that.

**Mr Metcalfe:** We're going to turn to Senator Rice to ask some questions now.

**Senator McCARTHY:** I haven't finished.

**CHAIR:** How long do we have you here for, Minister?

**Senator Duniam:** I can hang about.

**CHAIR:** Excellent. I thought he was here for a short period of time.

**Senator McCARTHY:** Do I keep going?

**Senator RICE:** I've got a deadline.

**CHAIR:** I did promise Senator Rice, if she came back after the break.

**Senator RICE:** I'll probably only need 10 minutes, depending on how the minister responds.

**Senator McCARTHY:** Go for it.

**CHAIR:** Terrific. Senator Rice, 10 minutes.

**Senator RICE:** Thank you. I'm very pleased you're here, Minister Duniam, as the minister for forestry. I want to take you to the Federal Court judgement on 10 May 2021 when VicForests won their appeal in the Leadbeater's possum case. I'll just confirm that you, as the minister for forestry, are aware of some of the court's findings.

**Senator Duniam:** In broad terms, yes, I am. As I understand it today, the Friends of Leadbeater's Possum filed for an injunction—

**Ms Campbell:** The court continued their injunction, pending the appeal—that's my legal way of saying it.

**Senator RICE:** Could I go through some of the findings, in particular how the Federal Court did not overturn a number of the findings of Justice Mortimer, who heard the case initially, including that VicForests's past forestry operations in these coupes that had been logged have had a significant impact on the greater glider. Are you aware of that, Minister?

**Senator Duniam:** Yes. As I said, in general terms, I'm aware.

**Senator RICE:** I just want to take you to these specific findings: that VicForests' past forestry operations have had a significant impact on the greater glider and that VicForests has not reliably complied with existing forestry management prescriptions. Are you aware of those?

**Senator Duniam:** Sure. As I said, please accept that I am generally aware of these matters.

**Senator RICE:** I want to go to the specifics, not just general awareness. You, as the minister for forestry, I think, should be aware of the specifics.

**Senator Duniam:** The answer to your question would be yes.

**Senator RICE:** And that not only do VicForests' forestry operations damage or destroy existing habitat critical to the survival of the two species Leadbeater's possum and greater glider but also they prevent new areas of forest from developing into such habitat in the future. As I'm sure you're aware, then we have paragraph 130 of the judgement where the Federal Court said that it wasn't correct. They rejected that the actual conduct of forestry operations must be undertaken in accordance with the contents of the Central Highlands Regional Forest Agreement. That was what Justice Mortimer found and that's what they overturned. Minister, you're aware that if forestry and logging is undertaken in a way that breaches the regional forest agreement—not compliant—that they're still not subject to the Environment Protection and Biodiversity Conservation Act?

**Senator Duniam:** That's the general proposition, yes.

**Senator RICE:** In summary, the full Federal Court found that Justice Mortimer was correct that VicForests' operations are having a significant impact on these two threatened species and that they're not complying with forest management prescriptions. The only ground that they did overturn was to say that, if the forestry operation isn't complying with the RFA, they're still exempt from the EPBC Act.

**Senator Duniam:** It's important to point out that all indications are that the Friends of Leadbeater's Possum will seek to appeal the matter, so, in effect, those matters remain live in a legal sense.

**Senator RICE:** But the current finding—

**Senator Duniam:** The finding at this stage.

**Senator RICE:** is basically that the EPBC Act doesn't apply to an area of forest that is subject to the logging under a regional forest agreement.

**Senator DUNIAM:** I think it's also important to note that—and I don't know whether the secretary or other officials want to speak to this at all—following the decision that was handed down on 10 May, Mr Metcalfe wrote to his counterparts in Victoria, Mr John Bradley and Mr Simon Phemister, noting the outcome of the proceedings and seeking assurances on how the Victorian government is meeting its obligations under the central highlands RFA and how it's taking appropriate action to protect listed species and communities, including the Leadbeater's possum and greater glider, seeking an update on the Code of Practice for Timber Production 2014, which was announced by the Victorian government in July last year. I think that's an important factor, in terms of the Commonwealth's position with regard to this issue and the matters you referred to. We do take these matters seriously. I don't think we've had a reply to that.

**Mr Metcalfe:** No.

**Senator RICE:** Thank you, Mr Metcalfe, for writing that letter, particularly in light of the Federal Court's findings that logging operations in the past had damaged habitat that was critical to the survival of both species. I think it's very important and pretty clear that there's damage and threatening processes going on through that

logging that are impacting on species that are recognised as being significant at a federal level, and yet, effectively, the finding is they are exempt from any environmental protection under our federal laws.

**Senator Duniam:** Hence the letter the secretary has sent. You and I both agree something that's important to any industry in this nation is our brand, and forestry is no exception. Native forestry—which I'm a supporter of; this is where we diverge in our views, I suppose—is no exception. Regulatory regimes that provide the protections for the environment in which industries operate are important, hence the secretary's letter, which I think is a very good indication to the state of Victoria of where the Commonwealth stand on this matter. We welcome the decision of the Federal Court that was handed down, but there are obviously still matters to deal with and Victoria need to step up and do so.

**Senator RICE:** Can I take you to what has happened in Victoria since then? In particular I want to table some photos of an area of forest that I visited on the Errinundra Plateau a couple of weeks ago.

**Senator Duniam:** Where?

**Senator RICE:** The Errinundra Plateau. It's a logging coupe off Playgrounds Track—that's what it's called. The Victorian department had surveyed this forest. They had found over three nights of surveying 35 individual greater gliders. They had done a survey of a one-kilometre stretch that their proscription said that if they found 11 greater gliders in that one kilometre they would have stopped logging; they found 10. They proceeded with that logging despite the fact that we've had over 80 per cent of East Gippsland's forests and the vast majority of greater glider habitat across East Gippsland burnt in the 2019-20 fires. It was then up to a community environment group, Environment East Gippsland, to seek an injunction for that forest, which they have now gained in the Victorian Supreme Court. But I bring your attention, Minister, as the federal forestry minister, to this is what the Victorian government is doing after this Federal Court case; they are proceeding with logging in known greater glider habitat. These two photos: that's the logging area.

**Senator McKENZIE:** So that's a greater glider habitat in the forest?

**Senator RICE:** Yes in the forest, absolutely.

**Senator McKENZIE:** They are allowed to actually log coops.

**Senator RICE:** When I visited, they had security guards 24/7. There happened to be three police there when I visited. They allowed me to walk along the public land adjacent to the forest—I wasn't allowed to stop—and then walk back, which is that photo of me there being accompanied by police. The other photos are of a nearby area forest. You can see in that forest what was going to be the outcome of that logging operation; it was essentially turning it into that area of clear-felled devastation. Pretty clearly, if there were 35 instances of greater gliders living in that forest, they weren't going to survive that clear-felling and that post-logging burn.

**Senator Duniam:** I promised I would be good and I held that promise. There is a lot of information you have tended which I have not been able to test. I am not familiar with the area of forest you are talking about nor am I across the detail of the particular rules around the threshold number of occurrences of greater gliders that must occur for a logging operation to stop. I again point to the correspondence from the secretary to his counterparts in Victoria outlining our expectations. We welcome the decision of the Federal Court.

**Senator RICE:** Effectively, when you say you welcome the decision of the Federal Court, that means that you welcome that you do not have any jurisdiction over this logging.

**Senator Duniam:** Also we do, as evidenced by this correspondence, take seriously the Victorian government's responsibility to manage in accordance with the rules, the laws, the codes of practice they have in place for timber production. This matter will be covered by Mr Metcalfe's correspondence to his counterparts. If an injunction has been provided for this—and I'm taking what you say at face value—then that is the fact. We have interacted with the Victorian government outlining our expectations in terms of management of the environment in which this industry operates.

**Senator RICE:** Thank you, Minister. I invite you to come and visit that area forest with me. I would be very happy to visit it with you.

**Senator Duniam:** I would be happy to—if it is a slightly warmer weather than what it looks like it was when you were there!

**Senator RICE:** I can't guarantee that.

**Senator McKENZIE:** It's great to see you, Minister—a strong proponent of a sustainable native harvest industry and the ultimate renewable, which is timber fibre. I had a great opportunity last week to head down and have a briefing from one of our regional forestry hubs in Gippsland. I was very excited. I met with haulage contractors, big forest, the forestry hub, the local TAFEs and state secondary colleges who were all very excited



about the job opportunities within the forest industry in that region. There was one school principal who was quite open and honest in saying that, prior to actually coming and working in the forestry region of Gippsland, he had drunk the Kool-Aid that the forestry industry was all about devastation and killing threatened native animals and was actually abhorrent to the environment. Now that he's been living in these communities, teaching these kids and understanding the tough environmental regulations that the Australian forestry industry operates under, he is a huge supporter and is really encouraging his students to get involved in what he hopes is a growing industry.

One of the issues they did raise with me was fibre security for a thriving industry, and I am interested to know what we're doing at a federal level to ensure that our sustainable, ecologically sound forestry operations around the country are able to lock in that fibre security so that they can continue to do what they do.

**Senator Duniam:** It's an incredibly important component of the future of the forest industry. There are a couple of things that have happened that the government has had a hand in to provide that fibre security in recent times. One of the things I know you were a big champion of was the changes to the water rule with regard to the hubs as they existed at that time—the five regional forestry hubs—and the exemptions from the water rule enabling people to take advantage of the Emissions Reduction Fund for any additional plantations they were able to put in. That has incentivised the expansion of the plantation estate; I don't have any specific figures here with me. We do have the concessional loans program for the expansion of the plantation estate.

Obviously, there were pressures put on the industry after the Black Summer bushfires. Huge amounts of forestry estates in New South Wales, Victoria and, of course, Kangaroo Island were damaged by those bushfires, and, with HomeBuilder and other pressures on demand coming online, we are finding a huge backlog and, in fact, a shortage of supply for access to materials like timber framing. So there have been supports like the \$40 million to help timber processors in those affected areas do more with less, in effect; to tech up their processing operations to get more out of an individual log. That's progressing pleasingly. They're a just couple of the things that we are doing, but at the end of the day it is about getting more trees in the ground.

**Senator McKENZIE:** Yes, absolutely.

**Senator Duniam:** We have the billion-trees commitment.

**Senator McKENZIE:** How is that going?

**Senator Duniam:** In terms of specific performance, particularly post bushfires as well given the amount that was taken offline, do we have any specific numbers?

**Ms Campbell:** We do not yet have specific numbers for the trees that have been planted. ABARES is doing some modelling, and we expect that in the third quarter of this year, so hopefully by the time we're back at estimates again.

**Senator McKENZIE:** Don't we just know how many trees we've put in? Don't we count them and report it back? There's no need to model. If I want to know where we're going to be in three years with our billion trees then, yes, I want to see that model. If we're planting at this rate now, you've got something to model. I just want the year-to-date facts.

**Senator Duniam:** That modelling had to be, in effect, adjusted given the bushfires, to understand what type of tree, at what age and at what location so that industry could figure out what it had. This information, of course, is in the possession of state and territory governments as well.

**Senator McKENZIE:** Yes, I do appreciate that.

**Senator Duniam:** It makes it rather more difficult, but that work is underway, as Ms Campbell says.

**Senator McKENZIE:** So we don't actually have figures of how many trees have been planted?

**Ms Campbell:** My understanding is that ABARES is looking, through a range of mechanisms, to have a number. My colleague from ABARES is here and might be able to talk it through if you're interested in that detail.

**Senator McKENZIE:** I am interested in that detail.

**Dr Greenville:** It might be a brief answer.

**Senator McKENZIE:** What a great surname for someone who works with forestry!

**Dr Greenville:** On the forestry sites, we've a couple of bits of work. We have a forestry model that we can apply to a number of problems to try to work out what's happening in the industry and the potential supply implications of any new plantations and the like—how that might affect supply over a long time and how that interacts with the current distribution of mills and the like.

**Senator McKENZIE:** I get the projection bit. I understand that. I want to know the data you're feeding in at the start, because our target is to plant and grow one billion new trees. I'm wanting to know how many we have planted and where.

**Dr Greenville:** The work we're trying to do at the moment is to understand the impacts of the bushfires and how it is affected. Part of that will be trying to get some ground truthing on what's going on and the level of activity that exists.

**Senator McKENZIE:** So we haven't planted anything yet, have we?

**Dr Greenville:** I don't have any numbers today, and that work is ongoing.

**Senator McKENZIE:** Help me help you. I understand the where question, which is your bushfire piece. My question is: have we planted any trees, knowing that we don't do the planting?

**Ms Campbell:** Knowing that we don't do the planting, I have some numbers in hectares but I don't have that converted to number of trees.

**Senator McKENZIE:** That's alright. That will depend on species, location et cetera. How many hectares?

**Ms Campbell:** For example, in 2018, 2,800 hectares of new plantations were established—

**Senator McKENZIE:** Whereabouts were they?

**Ms Campbell:** Sorry, I don't have that with me.

**Senator McKENZIE:** Can I get that on notice please?

**Ms Campbell:** I'll take it on notice.

**Mr Metcalfe:** We will try to come back through the course of today.

**Senator McKENZIE:** So 2,800 hectares of new plantations since 2018—

**Ms Campbell:** That was in 2018, which included 2,750 hectares of softwood and 50 hectares of hardwood plantations. We don't have the 2019-20 financial year figures yet.

**Senator McKENZIE:** Right. When will you be getting those?

**Ms Campbell:** My understanding is that those are included in the second half of 2021.

**Senator McKENZIE:** Right. I know we went to AgForce skill sets. One issue that did come up from the Gippsland regional hub and community was the breadth of jobs available in the forestry industry. Maybe 40 years ago everyone who worked in the forest industry may not have had all of their digits and needed to be able to lift heavy things very easily. They were good footballers. The breadth of jobs available now is phenomenal. There's a really exciting opportunity. Have we got any data on what jobs have been created under the plan so far?

**Ms Campbell:** No, I don't have that.

**Senator RICE:** And which ones are in plantation based industries and which ones are in native forest based industries?

**Ms Campbell:** I don't think we'll have that data, certainly not separated into plantation and native forestry.

**Senator RICE:** No, you don't. I've asked that before.

**Senator McKENZIE:** I'm less interested in that because it's all managed under a very strict regime, so whether it is native or plantation—

**Senator RICE:** Yes, a very strict regime—greater glider habitat—

**Senator McKENZIE:** I wish Senator Sterle was ready to go you, like he did me, about interrupting and grandstanding, but anyway.

**Senator Duniam:** I presume, Senator McKenzie, you're interested in—

**Senator McKENZIE:** Jobs.

**Senator Duniam:** Jobs generally, as I am—and sustainable ones too—and in the scientific R&D component of this as well, right?

**Senator McKENZIE:** I think the breadth of it. My question is about the plan. We aren't measuring it and we don't know.

**Senator Duniam:** In terms of jobs created. Let's take on notice how we might be able to best—

**Senator McKENZIE:** Are we planning to have an understanding of the jobs being created? In the plan we did talk about having 18,000 jobs created over the next 10 years. We're three years into the plan and we don't know what we're measuring.

**Ms Campbell:** We'll take that on notice.

**Senator McKENZIE:** I want a comprehensive answer. Given that that's a key component of the plan on page 5 I would think by now we should actually know what we're talking about because we're a third of the way into delivering it.

**Mr Metcalfe:** I think it's a very good question. We'll certainly do what we can to provide that. We'll obviously talk with others who may have data, such as the Australian Forest Products Association.

**Senator McKENZIE:** Yes, of course. Have you taken an inventory of farm forestry resources on private land?

**Ms Campbell:** As part of the plan we're working towards that. There's a farm forestry strategy that we're working with states and territories on at the moment. There's some funding support which we're looking to contract very soon.

**Senator McKENZIE:** When you say 'very soon'?

**Ms Campbell:** Before the end of the financial year.

**Senator McKENZIE:** That is very soon—in the next 30 days!

**CHAIR:** When you're looking at private land, will you be overlapping that with things like the Queensland SLATS program?

**Ms Campbell:** I'll have to take the detail on notice, but the policy intent is to secure fibre from a range of support areas, including private land, and working with the states and territories and their systems. So my expectation is yes.

**Senator McKENZIE:** Can you confirm your expectation.

**Ms Campbell:** Yes.

**Senator McKENZIE:** What are you doing to work with state industries to help private landholders expand farm forestry and make sure that it doesn't look like an MIS scheme?

**Senator Duniam:** In addition to hubs, which you had a great hand in establishing—identifying logical areas in which to plant the right trees to the right scale in the right place—as Ms Campbell mentioned, there is the development of a national farm forestry strategy. This is largely managed on the ground by state and territory governments and their instruments. In Tasmania we have Private Forests Tasmania, who I think are leaders in this space, and they've been developing great initiatives for farmers to take advantage of. Spooked by the ghost of MIS, a lot of farmers look at trees on farms and think, 'This is no good.' But there are great examples in Tasmania, and other parts of the country, where they're getting better yields, better returns and lower evaporation rates as a result of combining their farm operation with some sort of forest operation as well. There is work underway. It will come out as this farm forestry strategy is finalised, but that's the work that's underway.

**Senator McKENZIE:** Has the department met recently with the head of the CFMMEU's forestry division, Michael O'Connor, given his support for my private senator's bill on clarifying Justice Mortimer's decision?

**Ms Campbell:** No.

**Senator McKENZIE:** Are you planning to?

**Ms Campbell:** No. There's nothing scheduled.

**Senator Duniam:** But I'd be happy to meet with him.

**Senator McKENZIE:** Thank you, Minister.

**Senator Duniam:** Send him my way.

**Senator McKENZIE:** I will.

**Senator Duniam:** I met him many years ago, but I'm happy to meet with him again.

**Senator McKENZIE:** Thank you.

**Dr Greenville:** As to the location of plantations and the data around where that's happening, although we take some time to collect information from the states and the like, we do have a publication which has the new plantations by region, location and time. I can provide you with some further detail on that.

**Senator McKENZIE:** That would be great.

**Dr Greenville:** It's on our website, and I'll follow up with a link.

**Senator McKENZIE:** Thank you.

**CHAIR:** Back to Senator McCarthy.

**Senator McCARTHY:** I have a couple of extra questions, Ms Deining, to follow on from our conversation on domestic workers. You provided a few examples, and you mentioned the relocation incentive. What's in the relocation incentive?

**Ms Deining:** The relocation incentive recognises that when people move to a new location they incur costs associated with travel—petrol or accommodation on the journey—and when they move to a new location they also incur costs in finding accommodation, whether that's in a caravan park or other rental accommodation. The measure for relocation assistance is designed to help meet those costs.

**Senator McCARTHY:** How much is provided for the relocation incentive?

**Ms Deining:** The relocation assistance is available to Australian workers but also temporary visa holders. Australian workers can claim reimbursement of up to \$2,000—for temporary visas holders it's up to \$650—where they've worked at least 40 hours across the last two weeks. That was announced on 5 May, and those amounts were recently increased—to \$6,000 for Australian workers and \$2,000 for temporary workers—where they do 120 hours of work across a period of at least four weeks. What that recognises is that some work may be for a short period—40 hours or more over two weeks—but also people might be moving to an area for a longer harvest period, in which case the higher amount can be payable.

**Senator McCARTHY:** Sorry, that was \$640 to what for temporary visas?

**Ms Deining:** If you work at least 40 hours over two weeks, you're eligible for up to \$2,000, if you're Australian—

**Senator McCARTHY:** But for the temporary visa workers you said initially it was up to \$640?

**Ms Deining:** \$650.

**Senator McCARTHY:** And what is it now?

**Ms Deining:** It's the same—these were announced on 5 May. If you work for a longer period, if you work 120 hours over four weeks—

**Senator McCARTHY:** This is for temporary visa workers? We've got the figures for Australians.

**Ms Deining:** It's for both. It's up to \$6,000 for Australian workers and up to \$2,000 for temporary visa holders. And what that recognises is, obviously, that you're incurring the costs over a longer period.

**Senator McCARTHY:** How does that work for people who might be on the Community Development Program, for example? Can they utilise the relocation incentive of up to \$6,000?

**Ms Deining:** This program is managed through the Department of Education, Skills and Employment. I'm not sure if Ms Stanion is able to provide any more detail. I'm happy to take it on notice and get that level of detail on how those programs interact, unless Ms Stanion is able to assist.

**Ms Stanion:** It's probably best to ask the Department of Education, Skills and Employment, but my understanding is that, because this is about incentivising people to take up work, if you're currently on income support you can access this program.

**Senator McCARTHY:** Would it only be for Australian workers who are on income support, or is it for anyone?

**Ms Stanion:** It's for any Australian.

**Senator McCARTHY:** So even those who are on income support can use this as an opportunity?

**Ms Stanion:** Yes.

**Ms Deining:** For example, there might be retirees who are grey nomads. There have been media reports of grey nomads moving around, and this is potentially something they might be able to access—and they might not be on income support.

**Senator McCARTHY:** Where would they go? Again, I'm thinking regional and remote. We've got a lot of people who would like to work. Where do they go to find this information?

**Ms Deining:** We can provide the reference to the website. As Ms Stanion mentioned, it's run by the Department of Education, Skills and Employment as part of their suite of employment and assistance programs.

**Senator McCARTHY:** Let's say I'm living in Yuendumu, for example, and I'm in the Community Development Program, which pays \$11 an hour. If I want to go and work up near Katherine and assist where I can, how do I do that? What are the practical steps I have to take if I'm living in Yuendumu?

**Mr Metcalfe:** There's a website called Harvest Trail. It's hosted by the Department of Education, Skills and Employment. I'm just looking at it now. There are notices here, like: 'Gayndah region in Queensland is after 80

citrus pickers to start immediately. Call this number.' Another one says 20-30 workers are required for almond poling at Darlington Point, New South Wales. The pay is \$26.24 an hour, for two to three months work. 'Phone Emily on this number.'

**Senator McCARTHY:** So Harvest Trail is the website?

**Mr Metcalfe:** If you google 'harvest trail', it will take you to jobsearch.gov.au. It's a very up-to-date and interactive website and it tells people where the jobs are.

**Senator McCARTHY:** If I apply, living in Yuendumu, who determines whether I will get it or not?

**Mr Metcalfe:** Whether the relocation assistance is available?

**Senator McCARTHY:** That's right.

**Ms Deininger:** It's on a reimbursement basis. It's determined by the Department of Education, Skills and Employment.

**Senator McCARTHY:** So you go and do the job and keep your receipts?

**Ms Stanion:** Yes.

**Ms Deininger:** The Harvest Trail website is run by the Department of Education, Skills and Employment, and they are able to step people through the process. There is some requirement for evidence. Is that correct, Ms Stanion?

**Ms Stanion:** There is.

**Senator McCARTHY:** We've got over 100 Aboriginal languages there. Would there be translation opportunities? Is there a way of better understanding any of those things as part of this Harvest Trail website?

**Ms Stanion:** That would be a question best directed to the Department of Education, Skills and Employment, but their call centre does have access to interpreter services.

**Senator McCARTHY:** Okay. Can I just check: you mentioned 16- to 35-year-olds, Ms Deininger. What was your focus there in terms of incentivisation?

**Ms Deininger:** There was a measure, again, run by the employment department. It's called the hiring skills credit, and it was a general program to encourage employers to employ people between 16 and 35. That's because often people who are earlier in their careers have less experience and less skills, and this was designed to encourage employers to employ those people.

**Senator McCARTHY:** So this is more for the employers. This incentivisation is more for the employers to aim for that cohort—is that right?

**Ms Deininger:** That's right. I don't have the details of exactly how it works. Of course, the employee then earns a salary from that work that they're undertaking for that employer.

**Mr Metcalfe:** Going to the JobSearch website, I just clicked about three things, and it takes you through to AgMove, the relocation assistance. It says: 'You may be eligible for financial assistance. Click here.' So it's a very easy-to-access and interactive website.

**Senator McCARTHY:** Which website was that?

**Mr Metcalfe:** It's jobsearch.gov.au. It's hosted by the Department of Education, Skills and Employment. Very quickly, it will take you into Harvest Trail issues and provide that sort of information for workers and for employers, including whether there are jobs right now in certain places and who to contact.

**Senator McCARTHY:** Does that include what Ms Deininger was just speaking about, in terms of the 16- to 35-year-old incentive program for employers, or is that a separate place?

**Ms Deininger:** We can get you the website address for the hiring skills credit.

**Senator McCARTHY:** Okay. I know we've probably talked about this in the last estimates, but can I just point out that the Northern Territory Farmers have suggested—Paul Burke is the CEO there—an initiative like the gap year, with school leavers, for example, being encouraged to go around Australia instead of going overseas, because obviously we still have an opportunity here to do something domestically. Is the department looking at an initiative like that or working with the department of education on initiatives like that?

**Ms Deininger:** Certainly. As part of the budget, there was a measure called AgCAREERSTART, and that's exactly what you described. It's a program that we will set up now it's been announced, and the idea would be to match employers with employees through that program so a person could do that gap year. Maybe they then want to go on to university or other study or they want to then pursue a full time career in agriculture. Really what it's about is trying to make sure that young people in this gap year are well supported and they get induction and

training. They might be able to move between employers; we're still working that through. But certainly that AgCAREERSTART program was one of the measures that we talked about earlier in the budget that was just brought down.

**Senator McCARTHY:** When was that released?

**Senator Ruston:** Senator McCarthy, just as an aside, it might be useful to know that, through the Social Services portfolio, we also put in place some changes to legislation that would enable young people to get eligibility for independent status if they worked in regional areas through that gap year, and it might be something that's worth asking about in Social Services estimates next week, which I'm sure you'll be at.

**Senator McCARTHY:** Oh, I'll be having a lot of questions there next week.

**Senator Ruston:** You reckon?

**Senator McCARTHY:** So that will be connected to this program that we're talking about with the gap year?

**Senator Ruston:** It relates to young people who are seeking to get independent status. They often take that gap year off and work, so what we've done, by providing an accelerated opportunity for them to be able to qualify for that, is hopefully to provide the incentive for them to go out as part of the Harvest Trail website that we work on with Social Services and DESE.

**Senator McCARTHY:** Finally—I know my colleague has questions—where would we find information for year 12 students now?

Where would they go in they're interested in taking up the gap-year opportunity to work in places like Broome, up on the Tiwis or out in Cairns?

**Senator Ruston:** It's on the employment department. It's called the Harvest Trail. I don't know whether there are additional ones.

**Senator McCARTHY:** So it's all in the Harvest Trail website?

**Senator Ruston:** I know that ours is on the Harvest Trail, but I don't know about the others.

**Ms Deininger:** Certainly the gap-year program is not up and running yet. We will need to do a tender process to employ the people who are going to run that program. So I expect that in the first year of the program, which is the next financial year, there will be advertising and so on that will make it known that this opportunity is available. At the moment information about AgCAREERSTART will be on our website and in the budget papers, and then once the program is up and running and the organisation that is running the program is seeking participants and expressions of interests—because we'll also be seeking expressions of interest from employers to be involved too, of course, and to be able to match young people with the employer—there will be more information available.

**Senator McCARTHY:** Does that mean that our year 12 students this year will be able to actually take up this program at the end of this year?

**Ms Deininger:** We're hoping that that timing would work; that's right.

**Senator McCARTHY:** It would work for our mango season up north; I know that for sure. Thank you very much.

**Senator CICCONE:** Following on the line of questioning from Senator Malarndirri McCarthy about workforce issues, I wanted to touch on AgMove. Can the department provide any updates or explain the input that it had to the changes that were made to AgMove that were included in the budget? Obviously you've touched on the more practical changes, but what were the policy inputs that led to the changes?

**Ms Deininger:** AgMove is a program that's actually run out of DESE. So the employment services minister has the lead on that.

**Senator CICCONE:** But what input did you provide from the department of agriculture?

**Ms Deininger:** As Ms Stanion said earlier, we're involved in regular engagement with Immigration, Education and DFAT on all of these programs.

**Senator CICCONE:** So what input did the department of agriculture provide?

**Mr Metcalfe:** We're just trying to explain that, as the agricultural department, we're acutely aware of the needs of the industry, but many of the initiatives that relate to solutions sit in other portfolios—the employment portfolio, with initiatives such as AgMove and the Harvest Trail. The role of the Department of Social Services is important here as well. Visa matters, Foreign Affairs, Home Affairs and Border Force are all key. There's a very positive working relationship between departments to address the problem, knowing that there are initiatives

coming from different places that all add up to what we're trying to do here. So that's what I'm trying to explain. I think that Ms Stanion is the one who's down in the detail around how those committees actually work and trying to address the issue.

**Ms Deininger:** I might also add that, in the work the John Azarias led committee did, the consultations emphasised that the costs of moving can be an inhibitor to people who might otherwise be on low incomes.

**Senator CICCONE:** Sure, but my question really was about the department and what input your department had, if any, to the changes to AgMove. Are you saying you didn't have any input into AgMove?

**Ms Deininger:** What we're saying is that we were consulted in the development of the policy, and we provided evidence from the Azarias report around the consultations that they had had with industry around—

**Senator CICCONE:** All you did was just provide John Azarias—or did you say, 'No, in addition to this'—

**Mr Metcalfe:** I recall that I had discussions at the departmental secretary level probably a year ago when we were really focusing at the beginning of the impact of the pandemic on workforce shortage issues. You'd recall that there were a range of measures, including extending visas, trying to reopen the Pacific islands strategy and whatever. I recall discussions that I had with the Secretary of the Department of Education, Skills and Employment; the Secretary to the Treasury; and the Secretary of the Department of Social Services about the fact that collectively our departments would need to work together to come up with a range of initiatives to support the use of overseas workers and their availability and to incentivise Australians who may be looking for work to move to the areas where there was work. That has been an ongoing discussion since that time. That's now been given a great deal of practical effect through the various initiatives, such as the ones that we've described here, which sit across different departments. Our department has been, I suppose, the glue that binds that together, because we're the department that's interacting with the industries and with the state and territory governments, who also have a strong role to play here.

**Senator CICCONE:** That's why I'm asking—because people ultimately do come to your department and not the department of employment or others. So surely you've passed on some feedback or had some put into the changes. That's where my question goes to; what were those inputs?

**Mr Metcalfe:** I suppose what we're trying to say is that that's the normal working of government. There would be numerous meetings and discussions that would have occurred in committees and between officials. Obviously, as policy proposals are developed and taken through budget processes, we work together to ensure that the right information or advice is going to ministers and then ultimately to the budget committees of cabinet and whatever, so that's our job. That's what we do. There would have been many, many interactions in the formation of this suite of policy.

**Senator CICCONE:** Would you have provided a brief to your minister about the changes to AgMove?

**Mr Metcalfe:** Certainly we would have provided a briefing to the agricultural minister. As I think I mentioned earlier on workforce issues, on a very regular basis, it's something that he is very focused on. That would have involved a whole range of written and oral discussions over the course of the last 15 months.

**Senator CICCONE:** No doubt you and your officials would have said to the minister, 'We propose, in addition to what others have proposed, a suite of changes.'

**Mr Metcalfe:** But as you'd appreciate, there are informal discussions all the time that then lead to things being proposed or iterated on paper. Ultimately they flow into cabinet submissions and other documents which are seeking formal authority from the government for these issues. So, to a certain extent, in this policy formulation and program development phase, that's what we do. There's that very close interaction between the minister, his office and the department and other departments.

**Ms Deininger:** I can certainly confirm that we as a department engage very closely with industry, particularly with the horticulture sector. We are very active in feeding that intelligence not only back to the state and territories to help them better engage with industry but also into DESE and other departments to inform these kind of policy changes. It's certainly recognised that relying only on overseas workers is not a suitable strategy in this environment; we also need to try and encourage domestic workers into these roles.

**Senator CICCONE:** What advice can you provide this committee in how we address that issue, then? We clearly want to have more domestic workers given the situation we're in. What's the department's thinking about how we can achieve further incentivising people to work on farms?

**Mr Metcalfe:** We're now at a stage where there are a range of measures and programs in place. A lot of them are actually getting take-up and use of those measures. I mentioned earlier that I had some discussions with two or three CEOs of major companies involved in the horticulture industry together with the industry association. We

invited the head of the industry association to a meeting of the Agriculture senior officials, which are me and my state counterparts, so that we can share that data. The horticulture industry is working very hard to understand exactly where future shortages will be. We know generally that there is the seasonal impact—the picking season and the harvesting season runs from the Northern Territory through Queensland and then further south—so we're working very with the National Farmers Federation, and I know that my state counterparts are working closely with their state farming bodies, to get the word out about the availability of programs and to encourage the take-up of those programs. So it's a good example of the policy loop of implementation. Of course, we are looking at whether programs are working, whether they need adjustment or whatever. But there is a suite of arrangements in place. They are being used. Some could be used more. We are certainly seeing that there are ongoing shortages of labour, not just in the agriculture industry but across certain sectors in Australia generally and indeed in regional rural Australia generally. The tourism industry and other industries are also looking for labour as well. It is an issue that is an issue that we are constantly focusing on.

**Senator CICCONE:** Are you satisfied with where we are at in terms of the incentives right now?

**Mr Metcalfe:** I have never been satisfied because there are always going to be issues but I am very satisfied there is a strong focus. I am very satisfied that there is a whole range of initiatives that are being put in place and funding provided to them. I'm very satisfied that there is a lot of work being done to get that information out there, but we can always do more and that is what we are doing.

**CHAIR:** I think it would be fair to say that if you had a brilliant idea, the secretary would welcome it, Senator Ciccone.

**Senator CICCONE:** Don't worry, I've had plenty of great ideas that the secretary knows about.

**CHAIR:** In relation to these specific—

**Senator CICCONE:** We have a lot of ideas; don't you worry about that.

**Mr Metcalfe:** I am very agnostic as to where our ideas come from because it is shared. There is nothing political about this at all; it's all about—

**Senator CICCONE:** Hence my line of questioning on this now for many many estimates. Just on that funding point you raised, Mr Metcalfe, just to confirm, it is totally funded by the Department of Education, Skills and Employment? Is that right?

**Ms Deininger:** That is correct, yes.

**Senator CICCONE:** The Victorian government has a scheme that seems to be a lot more popular, where they provide part up-front cash payment of around \$800—I think \$810—for the first 10 days of work and then you get the remainder once you have completed your work. Why hasn't the Commonwealth considered that as part of its incentives.

**Ms Deininger:** We are aware the Victorian government adopted or implemented new program. That came after the Commonwealth had implemented its relocation assistance program. I can't recall whether you could be eligible for both of those programs.

**Senator CICCONE:** That was my next question: are you eligible for those schemes?

**Ms Deininger:** I am not sure.

**Mr Metcalfe:** We would have to check with the department of employment, which runs the program. We welcome the Victorian program. We welcome anything that—

**Senator CICCONE:** Is it not possible to tweak the Commonwealth scheme along the way or do you have to wait for 12 months time?

**Mr Metcalfe:** Whether some sort of up-front payment works is an issue that we will obviously continue to look at closely.

**Senator CICCONE:** Is someone running around here? What is going on?

**Ms Deininger:** If we have anything further to add, we will add that.

**Senator CICCONE:** Or the mouse plague has arrived; I don't know. Do you know how many people have signed up to AgMove?

**Ms Deininger:** Yes. Between 1 November and 30 April, there have been about 1,400 agreements in train.

**Senator CICCONE:** Agreements?

**Ms Deininger:** Yes. That is, people entering into arrangements or entering into an application process with the department of employment.



**Senator CICCONE:** You don't have anything more recent than that—the end of April?

**Mr Metcalfe:** We can see if employment has got anything.

**Senator CICCONE:** No, that's fine. What assurance can you give growers around the country who need to access that domestic workforce right now? I think there was commentary earlier on today where—apologies, I wasn't in the room; it may have been yourself, Secretary—about the budget not having measures to address the immediate issues facing farmers today. I was hoping that you may be able to give some farmers listening today assurances that the government is addressing that domestic workforce issue that they are facing right now.

**Mr Metcalfe:** We can certainly understand the frustration that growers have. I think it is fair to say that these issues are about labour availability in the agricultural industry have been with us for a very long time. There have been many initiatives over many years to try and address the problem. I was very personally involved with when I was secretary of immigration some years ago in the policy development and the initiation of what is now the Seasonal Labour Scheme and the Pacific scheme. We looked very hard at what New Zealand had done. We took a lot of ideas from New Zealand schemes around that. That was an initiative, from memory, from the Rudd government and I think probably either Minister Evans or Mr Bowen as immigration minister at the time. That was largely in response to the fact that there was a workforce there but it was illegal. People were basically incentivised to go into the Australian labour market but were in breach of visa conditions or they were visa overstayers, and the role of the immigration department was to go on fine people and remove them from the country. That wasn't helping anyone, either the workers or the growers. So initiatives well over a decade ago now for the Pacific Islands strategy has been one measure.

The department of employment has always been focusing on issues such as the harvest trail and trying to provide very granular information for Australians who want to enter into that workforce. We know that many of the jobs can be difficult, physical, arduous but also that, increasingly, the jobs are changing and range from everything from picking right through to back office work to driving trucks and all of the various issues that go to the food supply chain.

I know it is a long answer process going to say the impact of COVID obviously totally changed much of it. It is not as though we were in perfect arrangement before COVID hit. There was still a very heavy reliance on a overseas labour. The impact of COVID meant that the overseas workforce were themselves greatly impacted and that is why the government and Mr Littleproud worked very hard with immigration ministers to secure the extension of visas for many overseas holidaymakers and others to remain in Australia and is why we have been able to successfully restart the Pacific islands scheme in a bubble type arrangement. That was very much a first for the economy, very much directed into arrangements that would lead directly to labour supply into mango picking in the Territory and then more generally. That has obviously brought a range of different considerations from different health departments and health officials as to what quarantine and other measures should be in place.

We have seen yet another series of initiatives to try and encourage Australian workers, particularly those who may be unemployed, to move to regional locations to take up these opportunities but that has always been a challenge. While we have seen a grey nomad workforce and others, we haven't seen large numbers of young Australians entering into that horticulture industry, so we are now trying to do that through these particular measures. We very much welcome the measures that have been put in place by the government and the measures that have been put in place by other governments but we continue to have to work on this, particularly until we really get back to whatever normal looks like once we are all vaccinated and borders start reopening and whatever. I am just trying to provide that historical context but also a reassurance that we are very focused, together with our colleagues in other departments and the states, on seeing what we possibly can do at the government level to incentivise people to enter into this type of opportunity.

**Senator CICCONE:** I have asked this a few times at estimates: do you have a sense now of what the actual labour shortage is?

**Ms Deininger:** The labour shortage ebbs and flows over time. It is less now than it was during the peak harvest season. I will see if I can get a number for you. The thing I would say is that while there are new measures announced in the budget, the other measures that already in train, as the secretary mentioned, around the Pacific Labour Scheme and the Seasonal Worker Program, they are effectively demand-driven. There is no cap. We have not said to DFAT that there is a cap of a certain number of people that we can bring in. What we are saying is we are seeking to meet the needs of employers subject to quarantine and other arrangements, of course. But we are working very closely. So by the mere fact that there isn't a new measure in the budget around international workers does not mean that that work is not continuing at considerable pace.

**Senator STERLE:** But we do know that in question time on 17 March this year the minister did confirm that before the COVID-19 pandemic there were 140,000 backpackers for agricultural work. Now there are under 40,000. We do know that. I'm not trying to gloss over it or cut you off, but when Senator Ciccone asks for some figures, it would be good if that were reiterated. We're seriously understaffed.

**Mr Metcalfe:** And there has been other work done. I don't know whether ABARES have got any—

**Senator STERLE:** Sorry, Raff.

**Senator CICCONE:** No, thank you.

**Senator STERLE:** Sorry, Mr Metcalfe. I cut you off.

**Mr Metcalfe:** ABARES can provide some advice on this, and I—

**Senator STERLE:** We should get this out and get it actioned.

**Mr Metcalfe:** I was also going to say that there has been other work done. For example, the consulting firm Ernst & Young did some work for the horticulture industry—it was not work that I had any association with—that I think indicated a shortfall of 25,000 or so workers. ABARES has also done some looking at that. The point that Ms Deininger was making is that it will ebb and flow, and of course it varies from place to place. Now that we're entering into winter and we're not in a harvesting period of time, the actual requirement for workers would be quite low. But we know that quite soon we'll be moving back into a harvest season in the north of Australia and the numbers will start picking up again. That's one of the issues around the fact that we're not talking about permanent jobs in the same location in a stable way. It is a transitional labour issue and therefore there needs to be a lot of flexibility about the people who take up those jobs as well. But our colleagues from ABARES may be able to assist as well.

**Dr Greenville:** That's right—that description of the demand for workers, particularly in the horticulture industry. It does vary significantly over time. We have a peak of close to 70,000 in February, and that falls to about 47,000 in June.

**Senator CICCONE:** How many?

**Dr Greenville:** It is 47,000 in June. That's the amount that they actually use. Our work, when we were trying to look at it over the year, came up with a similar number to that which EY had suggested—that it could be in the vicinity of around 20,000 workers. That's all conditional on—

**Senator CICCONE:** Is that data you can share with you?

**Dr Greenville:** Yes. This is all data that's on our website. It's located there. The big uncertainty has always been the domestic response, and there have been a number of discussions that we've just held around the programs that are in there and what that may have been. What we've also heard from our industry consultations, when we've put together our outlook for the sector and the like, is that there have been some adaptations that are done on farm, just to try to save labour as best they can. But, as Mr Metcalfe has pointed out, this is differentiated by location—where in Australia. But also, even within locations, some properties have access to labour and others haven't. So it's a haves and have-nots type of situation.

**Senator CICCONE:** So, broadly, there could be a shortage of somewhere around 20,000 or 25,000, yet these incentives that the Commonwealth has provide are only picking up 1,500 people. That's a massive shortage still. How are we addressing that gap?

**Mr Metcalfe:** I think the point that we made is that there is no limit on the programs that we've established.

**Senator CICCONE:** And that's a good thing. But how are we addressing the gap?

**Mr Metcalfe:** Effectively, the states and the territories—and it has largely fallen to the states' and territories' agriculture departments to work with their governments to help arrange the various flights that have come in. The Northern Territory was fantastic. We worked very closely with the Territory government, and they were the leaders. They were the first, because of the particular issues that they were facing with the mango season. No-one's debating the fact that we need more workers. The issue is actually incentivising people to take up what can be hot, difficult, transitory work across a range of areas. That level of flexibility is not something that a large proportion of people are prepared to undertake. We're trying to incentivise people to move into that sort of occupation and, at the same time, using people from overseas who are prepared to undertake that work. There are other initiatives in the budget, though—and I mentioned this earlier. Unfortunately, there has been some perception of, and there is some reality to, exploitation or bad employment practices on a number of occasions. So there is funding in the budget to work with farming employers to help lift standards. The work of the Fair Work Ombudsman and others to provide reassurance so that people can confidently enter the workforce is another important initiative as well. The National Farmers Federation is very focused on that, and we have discussed it

with them. No-one is debating the fact that there's a shortfall. We're continuing to look for answers, but we have to be aware that this is not an easy thing to do—otherwise we would have already done it.

So we are continuing to look at how we can incentivise that sort of flexibility among people who are prepared to undertake that sort of work, knowing that the pandemic has made this so much more difficult because of the impact on international borders and the impact on state quarantine arrangements. Right now in Victoria things are changing because of an outbreak in Victoria, and so the movement of people has become a much more complex issue into what was already a complex set of issues.

**Senator Ruston:** It's also probably worth dealing with the broader issue here, and that is making sure that everybody in Australia who currently finds themselves unemployed and do not have a barrier to work or is single and doesn't have children and therefore has a more mobility than people who have children or are married or may have barriers to work understands that these jobs are available. We should be encouraging those people to take these jobs. That is why my portfolio has put in place a \$6,000 relocation incentive, to say to people, particularly young, easily mobile people: go out to the country and take these jobs. It's \$6,000. I think it's recently been changed so that you can actually receive some of it upfront, so you don't actually have to spend the money before you get it returned to you.

**Senator McCARTHY:** It actually says that you have to work for six weeks before you get anything of note.

**Senator Ruston:** That's just recently been changed.

**Senator McCARTHY:** Not on the website, it hasn't. I went on when Mr Metcalfe advised me to. I still think that's still quite a difficult request for people who are on any form of Centrelink to be incentivised to go and spend their own money for six weeks before they get anything.

**Senator Ruston:** That was certainly something that was raised when the original relocation allowance was put in place for rural and regional workforces in these particular sectors and why the changes have come through. They are probably in as part of a budget measure, but I can certainly make sure that I have that information available to you next week during Social Services, because the change has meant that you can claim the funding upfront and provide receipts for it, understanding the difficulty that people who are on payment may have in finding that money.

**Senator CICCONE:** Just on that, are you able to provide a breakdown of the early figures you gave me about the participants with AgMove who are on some form of Centrelink payment versus others who aren't receiving any Commonwealth payment?

**Ms Deininger:** I will see if I can find that information.

**Senator CICCONE:** If you could take that on notice, that would be great.

**Ms Deininger:** I might just add to Minister Ruston and the secretary's comments that, through the Seasonal Worker Program and the Pacific Labour Scheme, about 6,000 workers have come to Australia from overseas since the end of last year. So that's a very significant number of people at a time when borders are shut. As Dr Greenville has mentioned, businesses are also adapting. They're offering more overtime and there are shorter periods for people between employment opportunities, which means that they have more continuity of work and higher income. So there's a number of things that we are seeking to do to ensure that we meet that gap—that it's not just domestic people who are on relocation assistance or international workers coming in on those programs.

**Senator CICCONE:** I think earlier you mentioned something about AgMove. Is that a new program, or is it like a revamp of the previous program? We have tweaked the previous incentives. Is this considered a new program now?

**Ms Deininger:** This is a program focused on the agriculture sector. It would be best to ask the department of employment about it, but there have been programs in the past to encourage people to relocate to areas of higher employment.

**Senator CICCONE:** Is this a very vamp of the measure that was there previously or is this a new measure?

**Ms Stanion:** I can answer that. It was previously called the Relocation Assistance to Take Up a Job program. Then, when there were the changes that were announced that Ms Deininger talked about before, to reduce the six-week time period down to two weeks of work, the program was rebadged as AgMove.

**Senator CICCONE:** Okay.

**Mr Metcalfe:** But the history of those programs I think would come from that department.

**Senator CICCONE:** Did you provide any funding for this, or is this the other department?

**Ms Deininger:** No, it's the other department.

**Mr Metcalfe:** It comes under DESE.

**Senator CICCONE:** I will just go through a few other questions. I know that Senator McCarthy has a few other questions on this broader issue. I don't know if you can answer this or will have to take it on notice, but can you confirm how much jobseekers and workers were supported as part of the previous program?

**Ms Deininger:** We'll ask the department of employment. Again, that's data that they will have.

**Senator CICCONE:** And if you can provide the number as a total and a breakdown by state and territory that would be great. Can you also take on notice the estimate of how long it will take for jobseekers and workers who relocate for the short-term work, as part of AgMove, to be on farms in agricultural roles?

**Ms Deininger:** I will take that on notice.

**CHAIR:** Sorry; could you just repeat that? I didn't quite understand what you were asking.

**Senator CICCONE:** Can the department estimate how long it will take for jobseekers and workers who relocate for temporary or short-term ag work as part of the AgMove program into—

**CHAIR:** How long it takes them to relocate?

**Senator CICCONE:** Yes.

**CHAIR:** Will you have that information?

**Ms Deininger:** We'll check with the department of employment. I suspect that it will depend on a whole range of factors. For example, if you're in Victoria and you are going from Melbourne to Shepparton, it's a different thing than if you're in Victoria and you're going to Cairns or the Atherton Tablelands. I think it will depend on the individual circumstances of workers, but we will see if the department has any information to provide.

**CHAIR:** You'll probably only be able to track from the date of application through to the date of receipt of receipts.

**Ms Deininger:** We'll see what we can provide, if anything.

**Senator CICCONE:** Also, can you confirm which organisations from the ag industry form part of the consultation to develop the AgMove program?

**Ms Deininger:** We have an industry engagement officer who engages daily with industry. That's in addition to the work that Ms Stanion and her team do with particular groups in the horticulture sector. Ms Stanion may be able to mention some of those that we work closely with.

**Ms Stanion:** We work with a lot of the peak industry bodies. But, in terms of which of those were consulted in the development of AgMove, we would have to take that on notice and ask the Department of Education, Skills and Employment.

**Senator CICCONE:** Okay.

**Ms Deininger:** But I can assure the committee that we are in regular contact with industry more generally.

**Senator CICCONE:** Alright. If you can provide a list of organisations and dates the consultation took place that would be helpful. On that earlier question about how long it takes, it's not so much their travel time but once they do get offered a job, to actually being on a farm picking and packing. That is what I was after.

**Ms Deininger:** We'll see what we can provide. That information may or may not be collected as part of the application process.

**Senator CICCONE:** I think we have also touched on this one: confirming the extent of the worker shortage across the ag sector due to COVID. I think the secretary has already touched on that one. Do you know which states and territories and I guess various crops are being greatly impacted by the worker shortage? I don't know if this is something for ABARES—whether they have any of that data publicly available.

**Mr Metcalfe:** It's primarily the horticulture industry. That ranges from really right through all the states and territories apart from the ACT. But we do know that, for example, New South Wales has been bringing in workers from the Pacific primarily into the meat processing industry. That's my recollection, but Dr Greenville may be able to assist us.

**Dr Greenville:** Yes, certainly. The primary impacts are in the horticulture sector. There are downstream impacts, as the secretary has mentioned, particularly in the processing sector, meatworks and the like. We look at the farm level and our initial data points to summer fruits and particularly the summer vegetables and those areas which were further away from capital cities as being the most likely to be impacted given their timing of when they would use overseas and seasonal workers and those issues that we were discussing—that is, that it is more

likely for them to have greater difficulty in finding workers because they're further away from capital cities. If you're incentivising people where the location of unemployment is a long way away from where the jobs are, it is a little bit more difficult to get those people to move further away. Given that, we thought that there was the potential for price rises across those product categories out of the horticultural sector. What we've found is that those price rises haven't really been realised.

**Senator CICCONE:** Why is that?

**Dr Greenville:** In the sense that what we were looking at is a counterfactual. If the labour were there, prices would have been lower. What we've seen, really, is that, given the good seasonal conditions we've had, your efficiency of picking fruit off a tree—there is more fruit on the tree and there is less movement between trees. Producers have also decided, instead of going through and picking what's ripe and then staggering that supply, they'll pick the entire tree, take that fruit off and then send it to market. Those kinds of adaptations have meant the prices consumers are facing in supermarkets and the like, and what we've seen in the wholesale markets, haven't really moved around all that much compared to past seasons. It muddies the water of what would have otherwise been—

**Senator CICCONE:** Have you got any data or research on that?

**Dr Greenville:** Yes, we do.

**Senator CICCONE:** Can you share that with us?

**Dr Greenville:** Yes.

**Senator CICCONE:** I don't want to take up too much time of the committee. I don't know whether you have any other data you could provide on my earlier question about what the impact of the workforce shortage on various crops is.

**Dr Greenville:** We put some detailed estimates in our various agricultural commodities publications in December and March, and we'll update that again in June.

**Senator CICCONE:** Can you share that with us?

**Dr Greenville:** We certainly can.

**Senator CICCONE:** That would be great.

**Mr Metcalfe:** It's probably all publicly available.

**Dr Greenville:** It is.

**Senator CICCONE:** But the updated—

**Mr Metcalfe:** When we get the update we'll provide the committee secretariat with a link to the report.

**Senator CICCONE:** That would be great. Thank you. Has there been any analysis or modelling on the impact of the workforce shortage and what it's having on reaching the government's goal of the ag sector's growth to \$100 billion?

**Senator Ruston:** It's worth stating that that \$100 billion goal is actually the sector's goal. Of course, we're very supportive of making sure we help them get there.

**Senator CICCONE:** The government's obviously keen to support that, as everyone here in this place is. Has there been any analysis or modelling?

**Dr Greenville:** Not directly tied to whether or not the sector's going to achieve the goal or not, but we do try to get a handle on what the impact on the value of the horticulture sector and the like is. Given lower supply and higher prices, the things in terms of when you measure things in a value sense, they cancel out. We're still expecting the horticulture sector to grow in a value sense, and so contribute. The question of how it's going to impact particularly out to 2030 is really about the short-term versus long-term nature. Some of these things that producers are doing in response to lower labour—they'll find new ways of doing business. They'll mechanise a little bit more and there will be some labour saving. Chances are that's going to increase their productivity and their ability to grow and expand even faster in the future. Our horticulture sector has certainly been one of our growth sectors. When we look at it compared to other agriculture sectors it's on a pretty impressive upward path.

**Senator CICCONE:** Is that something you can share with me?

**Dr Greenville:** Yes. This is in these publications I mentioned. We have some detail. Don't expect it to really get in the way of that, because the long-run fundamentals that are driving that demand for our horticulture sector are not going to go away. Given how adaptable our producers are, they'll find ways to meet that demand.

**Senator CICCONE:** But it does talk about the impact of the workforce shortage?

**Dr Greenville:** Yes, it does. We expressly have. We have a more detailed breakdown in December, and then we have an update of that in March.

**Senator CICCONE:** I have some bedtime reading, don't I.

**Mr Metcalfe:** I mentioned in my opening statement that the minister recently released this as an updated document, *Delivering ag2030*, which is how the government has organised itself to contribute to the industry's aspiration to grow to \$100 billion. There are seven themes of work: trade, biosecurity and so on. Clearly workforce issues are one of them in terms of both the current supply issues and the future workforce that we've described.

Australian agriculture is so big and diverse that there are many factors that are always going to contribute to that \$100 billion, starting from global commodity prices and world trade issues right through to water availability, labour availability and a changing climate. Australian farmers continue to demonstrate how flexible and adaptable they are and how they can continue to produce premium products at good prices. As we've seen, the sector's grown significantly over the last year, off the back, admittedly, of a much better season in parts of the country.

**Senator CICCONE:** Thank you.

**CHAIR:** I want to ask the committee's approval for tabling of these photographs that Senator Rice referred to previously. I have a question on your excellent document, Secretary, where you've quoted that, of the food consumed domestically, over 90 per cent is produced in Australia, ensuring our food security. Given the amount of pork that we import, I wonder whether I could ask where this statistic has come from.

**Dr Greenville:** I can answer that one. That was from an ABARES publication that looked at expenditure on food by consumers. We have a report on our website where that's drawn from, which we released last year in the discussions around food security in COVID. It is true that we import a significant amount of our pork consumption, but given how much pork is consumed overall compared to other meats, grains and the like—

**CHAIR:** More than beef?

**Dr Greenville:** When we look at the total bundle of food consumption in Australia, it doesn't weigh too heavily on that. But it is part of that 10 per cent, definitely.

**CHAIR:** I'm intrigued. When I have nothing better to do, I look at frozen foods—Danish potatoes in McCain's bags. I'm pleased that it is only 10 per cent; that's very heartening.

**Mr Metcalfe:** Bear in mind of course that we are a trading nation. The fact that we enjoy such extraordinary food security in Australia is a great national asset and the fact that our farmers being able to produce premium products at a good price means that nine things out of 10 that we consume are produced here. The other 10 per cent quite often tend to be premium products from specialised areas. That will include people who drink French champagne, eat French cheese or eat Italian salami as opposed to many staples.

**Senator CICCONE:** Is there any other salami?

**Mr Metcalfe:** I think Denmark produces a lot as well.

**CHAIR:** Thank you for that answer.

**Senator McCARTHY:** Can the department confirm it works with the Department of Education, Skills and Employment and the Department of Foreign Affairs and Trade in relation to the Seasonal Worker Program and the Pacific Labour Scheme?

**Mr Metcalfe:** We can confirm that, yes.

**Senator McCARTHY:** Are you able to provide dates that the department met with the above-mentioned departments in relation to the Seasonal Worker Program and the Pacific Labour Scheme?

**Ms Deininger:** I think it's fair to say that our engagement with those departments is very regular. It happens at different levels in the organisation, such as one person. I think it would be quite difficult for us to document all of the conversations and discussions we might have had with those departments. I can assure the committee that it is regular engagement, and it is through informal channels rather than just a formal meeting every month, two months or three months.

**Mr Metcalfe:** I think if we give you dates we'd probably give you every day of the year.

**Senator McCARTHY:** Thank you. Can the department confirm how many of the 25,000 prevetted workers have entered Australia since the Seasonal Worker Program and Pacific Labour Scheme resumed?

**Mr Metcalfe:** I think we gave the figure before.

**Ms Deininger:** Around 6,000.

**Senator McCARTHY:** How many of those are still in Australia and still working on Australian farms?

**Ms Deininger:** Ms Stanion might have the number. The capacity of people to leave Australia is impacted at the moment, of course, with border restrictions and flight restrictions. I'm not sure if Ms Stanion is able to confirm.

**Ms Stanion:** There are currently slightly more than 10,000 seasonal workers from the Pacific in the country. As at 30 April there were 8,284 workers under the Seasonal Worker Program. As at 13 May there were 2,537 Pacific Labour Scheme workers employed in Australia—noting that some of those would have entered since the reopening of the programs and some would have been here before COVID.

**Senator McCARTHY:** Okay. The minister for agriculture stated in the parliament on 17 March this year that out of the 25,000 pre-vetted workers, there've only been 2,600 that have come into the country. In terms of context, was that 2,600 figure based on when the Seasonal Worker Program and Pacific Labour Scheme resumed in September?

**Ms Stanion:** I've not seen that statement by the minister, so I'd be hesitant to confirm it.

**Senator McCARTHY:** It was on 17 March, so if someone in your department wants to—

**Mr Metcalfe:** I'm sure the minister would provide absolutely accurate information. We'll just need to do a reconciliation of those figures.

**Ms Deininger:** Certainly we are seeing a ramp-up as more and more states come on board. For example, Victoria was later than other jurisdictions to the program, and they are actually quarantining their Pacific workers in Tasmania and then transferring them into Victoria to work.

**Senator McCARTHY:** Okay. There will be quite a few figures here, so I'm just going to go through a comparison. A letter the minister for agriculture sent to the shadow minister said, 'The figures now state that since the restart in September 2020 over 5,400 workers have arrived in Australia with more scheduled to arrive in coming weeks.' That letter was dated 13 May. Can the department provide an update on the following: the number of the 25,000 pre-vetted workers that have entered Australia since September 2020 and the number of the 25,000 pre-vetted workers that have entered Australia since September 2020 that are now working on Australian farms. And can you please include a breakdown of workers by the program or scheme they have entered into Australia through, and also by each state and territory? Could you also provide the number of the 25,000 pre-vetted workers that have entered Australia since 13 May 2021 as part of both of those programs? And please include a breakdown of workers by the program or scheme they have entered Australia and again by state and territory. Finally, can you provide the number of the 25,000 pre vetted workers that have entered Australia since 13 May 2021 that are now working on Australian farms, and could you also include a breakdown of which program they're here under, and by state and territory?

**Ms Stanion:** We will provide that on notice, Senator McCarthy.

**Senator McCARTHY:** Thank you very much. I just have a few questions on cotton in the Northern Territory. Mr Metcalfe, is this a good time to ask the department?

**Mr Metcalfe:** I think we've got the right people here or close by, Senator. We've also got the people here who can talk about food waste and soil as well—not sure if we can do that before lunch, Chair?

**Senator STERLE:** I'm keen. I just need to consult with Senator Sheldon, who had some questions around this employment area as well. If it's alright with Senator McCarthy, the cotton thing won't go away, but I know you have to breeze in and out to other committees.

**Senator McCARTHY:** Do you want to go to yours first?

**Senator STERLE:** Is 15 minutes enough time for you, Senator Sheldon, or do you need longer?

**Senator SHELDON:** I anticipate I'll be longer than 15 minutes.

**CHAIR:** If you start now, you'll have 17 minutes before one o'clock, Senator Sheldon.

**Senator STERLE:** Are you right to come back after lunch?

**Senator SHELDON:** I can, briefly.

**CHAIR:** Lunch is not until 1.15 pm, so that would give you just over half an hour.

**Senator SHELDON:** Thank you very much. Good morning to you all. I just want to ask some questions about the National Agriculture Workforce Strategy. I note that an op-ed from 28 April 2021 by Mr John Azarias states: Farming has much more potential, but it needs a better-trained and rewarded workforce than it often relies on now.

I'll ask my question in a moment. From that inquiry I understood that they also said that they wanted to derive, in the recommendations, the gold standard for what can be achieved and should be aspired to be achieved within the agricultural sector. Some of the important points were:

To empower those grassroots, we recommended that the federal and willing state governments jointly set up a large-scale, multi-year AgriFood Capability Development Fund supporting these initiatives.

... ..

We also recommended new state-level panels of farmers, business people and academics, supported by adequate federal and state funding—

and I would suggest labour force representatives as well—

to help design education and training programs suited to local needs.

I'll go straight to the question after this comment: they also said that our overreliance on cheap overseas agricultural labour is harmful, and of course that's been proven by the pandemic. Can the department confirm whether the government will be formally responding to the National Agricultural Workforce Strategy report?

**Ms Deininger:** The way I describe it is that the Azarias report was provided to government and a road map was issued in terms of how the government would proceed. That focuses on a few key areas around skilling the workforce, around securing the workforce and around future preparedness. There are some measures in the budget this year, particularly around skilling of people in gap years, around fair farms and the reputation of the industry, around data collection and so on, that go very directly to the workforce strategy's recommendations. Minister Cash, at last estimates, I believe, also ruled out one of the recommendations, which was around an amnesty for undocumented workers. We expect that we will continue, as you pointed out, to work with other departments in the states and territories, because not all of the recommendations are only for the Commonwealth; they are also for industry, states and individual employers. We expect that in due course the government will respond to the workforce strategy, but in the interim period the government has released that road map and has also implemented a number of measures through this budget to address recommendations that were in that report.

**Senator SHELDON:** Can the department confirm how many of the 37 recommendations have been or will be adopted by the government?

**Ms Deininger:** I'm not in a position to provide that information now, because, as I mentioned, we are working with the states and territories, with industry and with others through the recommendations.

**Senator SHELDON:** I appreciate that. I'm just saying that there are some that are ongoing. How many have they actually endorsed at this point, how many are ongoing and how many are rejected?

**Ms Deininger:** I will see if there's an opportunity on notice for me to, if you like, map the—

**Senator SHELDON:** That will be fine. Are you able to do that and come back to me today?

**Ms Deininger:** Yes. There's an opportunity for me to say how, for example, we have mapped the different measures. For example, in the budget papers we have, as I mentioned, the AgCAREERSTART program. That really links to recommendation 13, which is around commissioning a pilot program of a gap year. The grants program to upskill workers is related to recommendations 18 and 19. The community perceptions funding relates to recommendation 10. Updating the statistical classifications relates to recommendation 35. Updating the career maps and so on relates to recommendation 11. Updating ABARES forecasting relates to recommendations 32 and 33. And the AgFair funding relates to recommendation 9. So there is already some mapping between the measures in the budget and the recommendations of the Azarias review.

**Senator SHELDON:** Are there other measures you would be able to find for me, or is that the sum total? I'm just trying to be clear if that's the sum total of the recommendations that have been agreed to so far.

**Ms Deininger:** The government hasn't formally come out with a response to the National Agricultural Workforce Strategy recommendations, with an 'agreed' or 'note' or 'not agreed' against each of them. What I'm seeking to do for the committee is to map the measures in the budget to those recommendations.

**Senator SHELDON:** Which recommendations are under ongoing consideration, in the sense that there hasn't been a decision made on whether the recommendation is accepted or not on some of those recommendations that might be relating to different policy initiatives that the government is considering?

**Ms Deininger:** I would say that there is a link between the budget measures and what was in the Azarias report. The government hasn't formally responded to each of them in detail. That's really a matter for the government in due course—to respond in detail to the Azarias report.

**Senator SHELDON:** Regarding the recommendations, I know the National Farmers Federation certainly support the National Agricultural Workforce Strategy. In the industry press they said:



... the ... National Agriculture Workforce Strategy comes as farmers seek immediate and longer-term answers to crippling worker shortages.

The secretary of the Australian Workers Union, Daniel Walton, said:

The Azarias report is thoughtful and timely and highlights the need for a Royal Commission into worker abuse in Australian farming.

He goes certainly a step further. Mr Walton also highlighted that its key recommendations include:

... that the Australian Government require all 417 and 462 visa holders, prior to arrival in Australia, to apply for an Australian tax file number.

Has that been progressed or considered?

**Ms Deininger:** That's one of the ones that are still under consideration. The government hasn't responded to that in the budget.

**Senator SHELDON:** So it hasn't been rejected?

**Ms Deininger:** The government hasn't responded in any way publicly on that recommendation.

**Senator SHELDON:** A further recommendation is:

... that the Australian Government establish a 'fit and proper person' registration process for employers seeking to employ working holiday makers (visa subclasses 417 and 462).

Can you tell me where that's up to?

**Ms Deininger:** Again, that's one of the recommendations—along with others—that are still on foot. There is work that is happening within the Attorney-General's Department and with the Fair Work Ombudsman around labour hire registration and labour hire arrangements that is separate to the work of the National Agricultural Workforce Strategy.

**Senator SHELDON:** Do you have suggested timing on the conclusion of that consideration by those departments?

**Ms Deininger:** No. The Attorney-General's Department is responsible for that industrial relations framework. No, I don't have—

**Senator SHELDON:** But are they keeping you informed of what the developments are? It seems a highly important recommendation from this inquiry and it has support right across the industry.

**Ms Deininger:** In relation to the industrial relations matters, Professor Fels did a review. The response to that is being led by Attorney-General's. I can seek from the Attorney-General's Department an update on the progress of those recommendations, but certainly, as I mentioned, where the government hasn't responded to the recommendations in the budget that consideration is still ongoing.

**Senator SHELDON:** I'm trying to find whether I should have some hope that the government is actually going ahead with that recommendation. The reason I'm asking you about it is it would seem logical that those discussions would include the department here about what those developments are because they're quite substantial considerations for the department and for the industry.

**Ms Deininger:** We will work with other departments as necessary and industry on the government's response to the Agricultural Workforce Strategy.

**Senator SHELDON:** So we don't have a response on the fit-and-proper person. When was the Fels report?

**Ms Deininger:** Probably a year or two ago now.

**Senator SHELDON:** Yes, closer to two. Those recommendations still haven't been implemented, have they?

**Ms Deininger:** They are at various stages of implementation. One of the recommendations we were responsible for was additional data sources and data information around labour, location and so on. ABARES are undertaking work in accordance with that. Certainly the recommendation in relation to that that we were responsible for is very well progressed and according to plan.

**Senator SHELDON:** But we're still waiting for the department to come back with any time frame about their consideration on the question of visa subclasses 417 and 462.

**Ms Deininger:** Is this recommendation 22?

**Senator SHELDON:** It could well be. It's regarding the fit-and-proper-person registration for employers seeking to employ working holiday visa holders.

**Ms Deininger:** That's one of the recommendations in the report that are still under consideration. The government will respond in due course.

**Senator SHELDON:** There is a recommendation that Australian government establish skills organisation pilots for the agriculture, fisheries and forestry, food and logistics industries. Is that being considered? If it is being considered, what work has been done so far?

**Ms Deininger:** Again, that's one of the recommendations that we are continuing to work on. I think that's recommendation 2.

**Senator SHELDON:** Have you turned around and got some form of format about what the pilot scheme might look like if there were a pilot scheme initiated? Has there been consideration of the impact of this policy and the opportunities that may exist in it if we were to take it up? Has it got to that stage where possible pilots that have been recommended are under consideration as to whether they would move forward or not?

**Ms Deininger:** In the budget there was the AgCAREERSTART program announced. That is a pilot program for a gap year program. There was a recommendation from the Azarias report, recommending a gap year. I just can't find the exact reference here.

**Senator SHELDON:** Is that in the agricultural, fisheries, forestry, food and logistics industries, or is it just broadly?

**Ms Deininger:** For the gap year, we are still to develop the guidelines for that program, but really what we are seeking to do with that program is to build skills and experience of young people in agriculture and encourage them to pursue a career in agriculture on an ongoing basis.

**Senator SHELDON:** This is not a trick question—far from it. It's pretty bland, I guess. I just want to know: is there a pilot scheme that's being considered and, if so, what industries is it being considered in for progressing that gap year?

**Ms Deininger:** We haven't developed those details yet. The funding for that program starts next financial year, so we'll be developing the guidelines for that program and consulting with industry. So I expect that at next estimates we'll have more detail on how that program will roll out.

**Senator SHELDON:** There's no time frame, I gather, from all that.

**Ms Deininger:** The AgCAREERSTART program is front loaded over the forward estimates in the next two years—so 2021-22 and 2022-23.

**Senator SHELDON:** So I'm hoping it will be in the next two years.

**Ms Deininger:** Yes, the funding profile is front loaded over those two years.

**Senator SHELDON:** I'm saying I'm hoping that it's going to be done in the next two years.

**Ms Deininger:** Yes.

**Senator SHELDON:** There are lots of things this government says it's going to do that it actually doesn't do. I'm also trying to work out what they might be doing on the basis of that valuable report. Has there have been any indication, Minister, of when the government will make a decision about these recommendations?

**Senator Ruston:** In terms of the government's formal response?

**Senator SHELDON:** That's right—the formal response.

**Senator Ruston:** My understanding is that the minister intends to respond to the report, but I'm unaware of the timing of that. But I'm happy to take it on notice.

**Senator SHELDON:** I'm just going to say—

**Senator Ruston:** Don't editorialise.

**Senator SHELDON:** No, I'm not going to editorialise. I'm going to ask a question out of my observations, but I'll contextualise it.

**Senator Ruston:** Is that another way of saying you want to editorialise?

**Senator SHELDON:** No, it's contextualising it.

**Senator Ruston:** Okay. But I am happy to take that on notice and get an answer for you today if I am able.

**Senator SHELDON:** Thank you for that undertaking. My concern is that we have an industry-wide agreement on many aspects of improving the sector and the labour force. I think the next senator was one of the chairs. I think they came up with an exceptionally good report, along with the academics and the chair. What I'm concerned about is how far this is actually progressing in getting some of the issues of substance dealt with, particularly with the skilling in the workforce. I am very mindful that we're all in hope, but it's quite clear that the effect of not having a labour force from overseas requires us to use new initiatives. I might also point out that this report isn't just about new initiatives in light of the crisis we're in; it highlights the problems that we had in the

sector with labour force prior to COVID. So I'm looking forward to that date. If we're able to get it this afternoon, that would be wonderful.

**Senator Ruston:** I think it's probably worth mentioning that there has been quite a substantial investment in reskilling and training in this budget, and not just specifically for the agricultural sector. But there is definitely a need for us to focus on the fact that we do need to make sure that we provide the opportunities for Australians to take up these jobs. If there are any suggestions that you might have about ways in which we can incentivise Australians to be prepared to take up some of this agricultural work, I'm sure we'd be very interested to hear them.

**Senator SHELDON:** Thank you for that offer. I do think that this report has a lot of merit in it.

**Senator Ruston:** It does. There are some very challenging issues that are addressed in that report. I'm sure the minister is considering it very thoroughly before he responds.

**Senator SHELDON:** Thank you.

**CHAIR:** Do we have those questions on soils and food waste now?

**Senator STERLE:** Yes. I'm ready to go.

**CHAIR:** Great.

**Mr Metcalfe:** I'll just ask the officer to come into the room. Ms Lynch, the relevant division head, does have an obligation at two o'clock for the environment minister, but she is certainly available now or later this evening.

**Senator STERLE:** I could go with her to the environment minister's meeting, if that makes it easier!

**Mr Metcalfe:** They're a lot of fun—the environment estimates!

**Senator STERLE:** Welcome, Ms Lynch. And thanks to Hansard and broadcasting for putting up with us for the next quarter of an hour; I appreciate it. Can the department provide details on the following for us: have grant guidelines been drafted for the Food Waste for Healthy Soils Fund?

**Ms Lynch:** The Food Waste for Healthy Soils Fund will be largely delivered through national partnership agreement schedules with the states and territories. The Minister for the Environment has written to all environment counterparts across state and territories to outline her intention to do so. We will be consulting and working with the jurisdiction for that particular fund.

**Senator STERLE:** So we haven't got the guidelines yet?

**Ms Lynch:** They won't be guidelines per se. It's not going to be delivered as a grant. It's going to be funds delivered through states and territories, so the total fund for the Food Waste for Healthy Soils Fund initiative is \$67 million, as you will see in the budget. A large component, \$59.8 million, of that \$67 million is going to be delivered through national partnership agreements with the states and territories. The remaining \$7.2 million has been allocated for complementary community and educational programs on the benefits of processing organic food wastes.

**Senator STERLE:** Okay. So you're still working your way through it with the states?

**Ms Lynch:** Yes. The Commonwealth funding will be matched, essentially. We've clarified for jurisdictions that the intention is Commonwealth funding will be made as a one-to-one-to-one co-funding arrangement between the Commonwealth, the relevant state or territory and industry. It will also be conditional on those jurisdictions providing evidence of supporting policy measures that they're taking to reduce organic waste going to landfill.

**Senator STERLE:** Are you working closely with the Department of Finance?

**Ms Lynch:** We will. We will work with all central agencies, in this instance particularly the Treasury because the funds currently sit with Treasury. They'll be delivered through the national partnership agreements.

**Senator STERLE:** When do you think this will be finalised? When will you all be ready to rock 'n' roll?

**Ms Lynch:** As I mentioned, the Minister for the Environment wrote to her counterparts on budget night. She has sent correspondence already to environment ministers. We're now essentially waiting on some feedback from those jurisdictions about their respective priorities and the things that they'd like to see jointly funded.

**Senator STERLE:** I know it was only two weeks ago, but has anyone bolted out of the starting box?

**Ms Lynch:** I'm not aware of any formal correspondence coming back from jurisdictions, but we have had consultation with some of the officials in each of the jurisdictions so far.

**Senator STERLE:** You did talk about a one-to-one-to-one co-funding arrangement, with state governments and industry, but do you have any other eligibility that will determine what the grants will be determined by?

**Ms Lynch:** I did also mention that the government's intention is for this funding to be conditional on supportive policy measures to reduce organic wastes going to landfill. There are a few mechanisms that we could draw upon and that the minister is currently contemplating here. A comparison could be some work that the federal government co-funded for recycling infrastructure for paper recently. It was a national call and the opportunity was made to available all jurisdictions, but, ultimately, only some jurisdictions came back to say that they were willing to co-invest in those facilities. So it's likely we may see something along those lines. We don't want to roll out organic waste processing infrastructure just for the sake of it; we want to ensure it is in appropriate locations and will be delivered where it's most required.

**Senator STERLE:** Are you able to share with the committee the jurisdictions that want to be part of it?

**Ms Lynch:** For the organic wastes initiative, I expect that's something we can share with the committee in the future. To date we are yet to receive any of that formal feedback.

**Senator STERLE:** No worries. Who will be the final decision-maker for the grants at the Commonwealth end?

**Ms Lynch:** My understanding is that that will be the Minister for the Environment.

**Senator STERLE:** Do you know when potential recipients will be able to apply for the grants?

**Ms Lynch:** I will clarify: these aren't specifically grants. It's through the national partnership arrangements with the jurisdictions—

**Senator STERLE:** I don't know what other word to use, sorry—the bucket of money!

**Ms Lynch:** The offer from the Commonwealth is essentially on the table at the moment. At any time from here on out I imagine we will start to reach agreement with different jurisdictions about that, and then the detail about how much funding the Commonwealth will contribute to various projects is basically put into a schedule to the national partnership funding agreement. I might defer to my colleague; he might have some additional information about timing.

**Mr Ryan:** To give you an idea of what we're expecting in terms of the profile of funding: the majority of the money is for infrastructure for organic recycling. The initial profile was \$3 million in 2021-22 through the national partnership agreement, which Ms Lynch has referred to, and \$18 million each year for the three years after that. That's the major component of the measure—that infrastructure money that's delivered through the national partnership agreement.

**Senator STERLE:** Thanks for that. So this is a case where there's no set time line; is that correct? It's just a case of, 'Let's throw it out there and see who comes back to us'?

**Ms Lynch:** At the moment, yes; there's not been a deadline established. As Mr Ryan has just described, the funding is profiled in different financial years. We would ideally look to ensure we have some of that funding going out the door as soon as next financial year.

**Senator STERLE:** When you wrote to the states, was there a 'Please come back to us by a certain time, not on the never-never' put out?

**Ms Lynch:** No, there is no deadline yet imposed. What I can mention to you is that earlier this year, on 15 April, environment ministers met. It's essentially a regular national meeting of environment ministers of all jurisdictions. At that meeting in April, Minister Ley spoke to her counterparts about the importance of food and organic services and diverting food waste from landfill. This isn't a new or surprising topic for jurisdictions; they have essentially been consulted so far. In fact, the agreement reached by environment ministers back in mid-April was that they were all happy to work with the Commonwealth on increasing the rollout of these food and organic recycling services. That was a precedent in advance of the budget announcement by the Commonwealth.

**Senator STERLE:** So it was talked about in April, but the official letter went out on budget night or just after the budget?

**Ms Lynch:** On budget night.

**Senator STERLE:** And there is no set date to say, 'Get back to us, because we really need to start planning'?

**Ms Lynch:** Not at this stage.

**Senator STERLE:** I suppose this is better left for the October estimates, to see how it has progressed by then.

**Ms Lynch:** We will certainly be happy to provide further detail to you at that point.

**Senator STERLE:** Fantastic. Thank you very much.

**Mr Metcalfe:** I want to put on the record a couple of issues around the Australia-UK free trade agreement. I have a very short statement that I will read.

In relation to the Australia-UK free trade agreement, Australia maintains high environmental protection, animal welfare and food standards. Australia's comprehensive biosecurity regime ensures the health and safety of Australian consumers and protects our unique environment. Animal welfare is a high priority for the Australian government and the Australian people. In 2015 the World Organisation for Animal Health, the OIE, assessed Australia's veterinary services and awarded Australia the highest level of competency, level 5, for the animal welfare criteria. Australia will not negotiate techs that would alter Australia's existing animal welfare framework. Through the FTA negotiations, Australia and the UK are working to agree outcomes on cooperation and collaboration on animal welfare.

**CHAIR:** Thank you. That's very helpful.

**Senator STERLE:** Can I clarify one thing, Mr Metcalfe. Your officers and yourself made it very clear earlier on, but I can't remember what you said: which agency or which department do I follow up with on questions about the kind offer of Tasmanian Minister Barnett to spend federal taxpayer dollars on some irrigation projects down in Tasmania?

**Mr Metcalfe:** We were talking about the department of infrastructure. Ms O'Connell can provide some information.

**Ms O'Connell:** It is the National Water Grid Authority, and it is within the department of infrastructure—so the Deputy Prime Minister's department.

**Senator Ruston:** Appearing on Friday.

**Ms O'Connell:** They have a website as well, which gives the progress on all the projects they are doing. I would recommend you have a look at that, because some of those Tasmanian projects are featured on that website in terms of progress with them.

**Senator STERLE:** Thank you very much.

**CHAIR:** I have one more matter. Previously, Minister Duniam referred to a letter between Mr Metcalfe and the Victorian environment secretary. That letter has now been tabled, with the approval of the committee.

**Mr Metcalfe:** Finally: I know that Senator McCarthy would like to talk about cotton growing in northern Australia, in the Territory. We have the officials available whenever she wants to raise that issue.

**CHAIR:** I also look forward to hearing about cotton in northern Australia.

#### **Proceedings suspended from 13:12 to 14:17**

**CHAIR:** The hearing will now resume. Senator McCarthy.

**Senator McCARTHY:** Thank you, Chair. Mr Metcalfe, I want to get an understanding of the department's role in terms of looking at opportunities for cotton-growing in the Northern Territory and the process that occurs.

**Mr Metcalfe:** The primary responsibility for any agricultural crop production sits with private landholders, with farmers, and with the relevant state and territory government in terms of any planning or other issues, including water supply issues. The Commonwealth has no particular role in the issue. I do know that, historically, CSIRO has undertaken studies about the potential for agricultural expansion and the size of that. And, of course, CSIRO and the Cotton Research and Development Corporation have done a lot of work around helping producers reduce water usage and reduce the usage of herbicides and pesticides in cotton production. Indeed, my uncle was a CSIRO researcher who was involved in the cotton industry up at Narrabri. So the short answer is that we, the Commonwealth department, have no particular role. From a research perspective, the Cotton RDC, which will be here tomorrow, will have detailed technical knowledge and, of course, CSIRO is involved. As to the particular issues about the use of water resources in the Territory, that is a matter for the Territory government.

**Senator McCARTHY:** What monitoring of water usage and the use of chemicals does your department do and what kind of advice does it provide?

**Mr Metcalfe:** We don't do any monitoring or provide any advice. The only way that our department would potentially get involved is more on the environment side than on the agriculture side—for example, if there was a matter that brought any developments within consideration of the Environment Protection and Biodiversity Conservation Act, which is administered by the minister, or the Aboriginal and Torres Strait Islander Heritage Protection Act. From the agricultural productivity perspective, there is no particular role for us.

**Senator McCARTHY:** In terms of the concerns around chemicals and water, who would hold that responsibility—the APVMA?

**Mr Metcalfe:** That would be a matter for the Northern Territory government. In terms of scientific knowledge of the issue, I'm sure that the Cotton RDC would have some information about that. We'll let them know you'll be wanting to do these questions tomorrow.

**Senator McCARTHY:** In terms of what has worked and what hasn't worked, clearly the people of the Northern Territory would want to better understand—especially from what has happened down south. I understand that there are small family groups who farm cotton in the Northern Territory and it seems to be working quite well for them. I'll be getting more of a briefing on that in the Northern Territory once estimates are finished. What kind of learning is shared when things go horribly wrong?

**Mr Metcalfe:** There has been extensive research over decades now about growing cotton in Australian climatic conditions. Some of my earliest memories as a child are of my uncle Dr Norman Thomson, who unfortunately is no longer with us. He who was originally based in Kununurra and was trying to grow cotton in the Ord scheme in the early 1960s. I recall going there as a three-year-old. They failed. The impact of insect infestation was so great that they abandoned tropical cotton-growing and relocated their efforts to the Moree-Wee Waw area in northern New South Wales.

The CSIRO and the New South Wales Department of Primary Industries, together with the Cotton Research and Development Corporation, have spent decades in developing cotton varieties through plant-breeding that are far less thirsty and far more resistant to pest and weed impacts. A lot of that has been done through genetic modification, through genes developed with Monsanto—now Bayer. That has really allowed that industry to prosper and develop across both dryland and irrigated farming through the Murray-Darling system—from southern Queensland right down into southern New South Wales and possibly into Victoria. All of that knowledge is available through CSIRO. I think cotton is still one of CSIRO's largest areas of royalty payments, through the breeding they've done. The Cotton RDC would be able to talk at length about the publicly available knowledge associated with, in particular, dryland farming and how that might be applicable to the tropical conditions in the Territory. In some ways, the cotton industry, over the course of the last 50 or 60 years, has gone full circle: it originally started in Kununurra, and is now looking to expand in the Territory.

**Senator McCARTHY:** Thank you. I now want to go to the National Fisheries Plan. Can the department provide an update on the progress of the National Fisheries Plan. That was a 2019 election commitment.

**Ms Campbell:** The department has been working on the National Fisheries Plan with our state and territory colleagues. We had a meeting with our state and territory colleagues about the plan in Adelaide two weeks ago. It is a plan of governments working together. That was a constructive meeting and really positive. We're hoping we'll be in a position to consult with the key stakeholders in the next couple of months, with a view to having it finished by the end of the year.

**Senator McCARTHY:** When you say 'key stakeholders', is that across the country?

**Ms Campbell:** Across the country.

**Senator McCARTHY:** You hope to have the plan completed by the end of the year?

**Ms Campbell:** We're working towards that time frame, yes.

**Senator McCARTHY:** When do you expect it will be delivered to government?

**Ms Campbell:** The time frame we are working to is that it will be provided to government and publicly available by the end of the year.

**Senator McCARTHY:** And when do you hope it will be operational?

**Ms Campbell:** At the moment, there are a lot of things happening already. The fish plan is a policy document that brings together states and territories with some common objectives. A lot of the work is already underway. There may be new measures or new areas of focus with the states and territories. It's a bit hard to know before we have finalised it.

**Senator McCARTHY:** How much funding has been allocated to develop the National Fisheries Plan?

**Ms Campbell:** At the moment, developing the plan is absorbed within the resources of my division and we are working with states and territories. Measures announced in the budget—\$20 million for electronic monitoring and vessels, for example—are the sorts of actions we are considering with states and territories. I expect that those budget measures will be reflected in the plan and will back in some of the objectives for the plan.

**Senator McCARTHY:** How much funding will be allocated to make that plan operational?

**Ms Campbell:** I don't know the answer to that yet; we haven't finished the plan.

**Senator McCARTHY:** Okay. We'll follow that up. If no funding has been allocated, why is that the case?

**Ms Campbell:** I am not saying no funding has been allocated. The government has made a significant investment in fisheries—the \$20 million that I just mentioned. We are developing the plan. The actions and priorities in the plan haven't been established by government yet. We've had consultations with the states and territories. First we'll decide what's in the plan and then have a conversation about what funding, if any, is required on top of what has already been provided.

**Senator STERLE:** Can you tell us the key stakeholders who are being consulted?

**Ms Campbell:** At this stage we have just been working with the state and territory governments. We will look at a range of other stakeholders, including, for example, for the Commonwealth—and each state and territory may do their own—the Commonwealth Fisheries Association.

**Senator STERLE:** And there would be a mixture of industry and recreational fishing—the usual suspects?

**Ms Campbell:** Yes, the usual suspects.

**Senator STERLE:** You haven't formulated that? When will we know—

**Ms Campbell:** I'm sure my team has, but I don't have a list with me.

**Senator STERLE:** That's alright. If you could provide us a list of the key stakeholders, that would be great.

**Ms Campbell:** Yes.

**Senator McCARTHY:** I want to go to the \$600,000 for the mental health of commercial fishers. Ms Campbell, are you the one to speak to?

**Ms Campbell:** I don't think so. I think that might be a Department of Health measure.

**Senator McCARTHY:** The question is around whether you have engaged with the Department of Health on progressing that initiative.

**Ms Campbell:** It is a Department of Health measure. I understand that my staff have worked with the Department of Health on that measure. We've had engagement with, for example, the Seafood Industry Association about their engagement with that measure. But questions really need to go to the Department of Health.

**Senator McCARTHY:** Are you able to tell us what the response from the Seafood Industry Association was?

**Ms Campbell:** I will have to take that on notice. It wasn't me personally; my staff have had conversations.

**Senator McCARTHY:** Have you had any consultations with commercial fishers or stakeholders in relation to that election commitment?

**Ms Campbell:** I will have to take it on notice. My live feedback is that we've had really positive engagement from the seafood sector, and we're looking at some pilot areas. I can take more detail on notice.

**Senator McCARTHY:** Okay. Are you able to provide a list of stakeholders and individuals who are part of the consultation and the dates so far?

**Ms Campbell:** That our department has talked to about that measure?

**Senator McCARTHY:** Yes.

**Ms Campbell:** I can take that on notice.

**Senator McCARTHY:** Okay. Can you provide an update on how much of the \$600,000 has been allocated, committed or expended to date.

**Ms Campbell:** That's a question for the Department of Health. We can't look and see if we can get that from our Health colleagues.

**Senator McCARTHY:** Can the department confirm that 10 advocates have been established across the eight communities across the country?

**Ms Campbell:** Associated with that measure?

**Senator McCARTHY:** That's correct.

**Ms Campbell:** I think that's a question for the Department of Health.

**Senator McCARTHY:** If it is the case, could you provide details around the 10 advocates and provide a list of the eight communities by location and by state and territory.

**Ms Campbell:** I can follow up with the Department of Health to see if that information is available.

**Senator McCARTHY:** Thank you. Can the department confirm that there has been an initial funding amount of \$3.9 billion allocated to the Future Drought Fund, with a target to grow this to \$5 billion?

**Ms Crosthwaite:** Yes, that is correct. There was an initial allocation of \$3.9 billion from the Future Fund, which has been put into its own account to grow to \$5 billion.

**Senator McCARTHY:** How much is sitting in the Future Drought Fund now?

**Ms Crosthwaite:** Just under \$4.2 billion.

**Senator McCARTHY:** Can you provide any further details on that?

**Ms Crosthwaite:** That fund is managed by the Department of Finance.

**Senator McCARTHY:** I understand that there is \$100 million available annually from 1 July 2020, with programs having already been rolled out. How much of the first \$100 million has been spent since 1 July 2020?

**Ms Crosthwaite:** Of the \$100 billion that is available in 2020-21, \$82 million has been committed to the specific projects that are currently in train. Of the \$82 million that has been committed, \$50.9 million is under contract with providers for the work and we expect the rest of that \$82 million will be under contract this year. That leaves \$18 million for this financial year, of which \$14 million has been combined with additional funding announced in the 2020-21 budget which will support a bigger and longer innovation grants process which will open this financial year.

**Senator McCARTHY:** I see.

**Ms Crosthwaite:** That then leaves \$4 million currently underspent in Future Drought Fund programs. That is mostly due to some of the states and territories that we are partnering with on programs not seeking to use their full allocation and also a couple of competitive processes where it didn't cost as much as we had anticipated. We are in the process of reallocating that underspend to other Future Drought Fund activities, and at this stage it's most likely that that will be used to increase the amount available for the innovation grants.

**Senator McCARTHY:** In which states and territories has it been underspent?

**Ms Crosthwaite:** Victoria.

**Senator McCARTHY:** The complete \$4 million is Victoria?

**Ms Crosthwaite:** No, not the complete \$4 million. I will be able to get that for you very soon.

**Senator McCARTHY:** Could you provide a breakdown of the \$100 million, by state and territory and by electorate, as to how many farmers have participated as part of that funding?

**Ms Crosthwaite:** We can provide what we're able to. Just to take a step back, there are eight separate programs under the Future Drought Fund. Each of them is quite different in nature. For example, some of them will be providing things like workshops for individual farmers, so there will be opportunities for individual farmers to participate in those. Some of the projects are related more to providing tools that farmers will have access to—for example, a drought-resilience self-assessment tool, which may be an app. At this stage, we don't know how many farmers will have access to that, but when it's available there will be many. Some of the programs relate to issues of social resilience rather than agricultural resilience, so in those cases some people participating in programs won't be farmers, quite deliberately; they'll be leaders or other members in their communities. So what I'm saying is that not all of the programs are designed to provide activities for farmers' participation.

However, what I will say is that the consultation process that was undertaken to develop the funding plan for the Future Drought Fund and also to inform the programs that are being rolled out had extensive consultation with farmers, farming groups and local communities, and the opportunity for people to be involved in that consultation as the funding plan was developed was very extensive, and it continues. There is a legislated consultative committee which needs to advise the minister before programs can be made under the Future Drought Fund Act, and that consultative committee continues to consult with communities, including farmers, about programs.

**Senator McCARTHY:** Okay. So are you still able to give us a number for how many farmers have participated in this funding since 1 July?

**Mr Metcalfe:** I don't know what more we can add. I think Ms Crosthwaite gave quite a comprehensive answer, particularly on this startup phase of the Future Drought Fund. It's certainly our intention that the impact of the fund will be available to farmers all over Australia. One of the primary areas of initiatives is the establishment of a number of so-called drought innovation hubs based on the regional universities and involving consortiums. That is really about research, innovation and extension and adoption of farming practices, and it's the adoption of farming practices to ensure that, in future droughts, our farmers are better able to manage what is happening. The adoption is going to be really important, and that will be available as a public resource to those farming groups. But we're very concerned about ensuring that the adoption part happens in practice, so the design of those hubs



has been deliberately done to take our best researchers and scientists, together with agricultural businesses, and ultimately to have outcomes which will be available for farmers right across Australia.

**Senator STERLE:** So there was \$100 million committed nearly 12 months ago, of which you've clearly said \$82 million has been taken up on the list of projects. What are those projects? I'm sorry; I'm just trying to get my head around it. I know it's futureproofing, and I get all that. If we were to walk out there and say, 'We've got \$100 million here; how much stock have you lost?' and everything else, the \$100 million would be a drop in the bucket. I get that.

**Ms O'Connell:** We can take you through the programs.

**Senator STERLE:** Yes, let's go through it.

**Ms O'Connell:** We did it last estimates, but we can happily take you through the programs and you can see the nature of them.

**Senator STERLE:** That'd help.

**Ms O'Connell:** Mr Metcalfe has expanded on the innovation hubs, but we can take you through the complete list of the programs.

**Senator STERLE:** Please do, yes.

**CHAIR:** We touched on the consultation. It was done to arrive at these programs; they weren't plucked out of the air.

**Ms Crosthwaite:** No, they were not. Senator, would you like me to take you through each of the programs?

**Senator STERLE:** Yes, let's do that.

**Ms Crosthwaite:** The first program is the research and adoption program. That is a program that includes the adoption and innovation hubs that Mr Metcalfe has just spoken about. An amount of \$16 million has been committed this financial year for those hubs. These hubs are being established—there are eight—around the country, which, as Mr Metcalfe just described, will be providing the impetus for an increased focus on the adoption of drought resilience practices and a better link to the science that sits behind that.

**Mr Metcalfe:** Would you like to say where they are?

**Ms Crosthwaite:** That's a test for me! We have one in southern Queensland and one in northern NSW. There's one in northern Queensland. There's one in the Top End. There's one in south-west Western Australia. There's one in South Australia, one in Tasmania and one in southern New South Wales. I think that's eight.

**Senator STERLE:** Spot on.

**Ms Crosthwaite:** The adoption and innovation hubs are one element of this bigger research and adoption program. We have other elements, including a research and adoption investment plan. There's a process of consultation underway right now that the department has funded a provider to go out and do. They're speaking to farmers, researchers, advisers et cetera. That is costing \$235,000 this financial year. That will all be spent this year. That one was actually a bit cheaper than we expected. We thought it'd be \$500,000. What that's going to do is be the beginning of the co-design process for where the Future Drought Fund's investment should be in terms of research and adoption and start to set some national priorities for building drought resilience and using research and adoption to achieve that.

On innovation grants, there's currently \$14 million allocated for innovation grants. These will be the types of projects that I think you might have been asking about, Senator. These grants will be for innovative ideas that farmers, researchers, agronomists, advisers or innovators may have for practices at the farm level that would be excellent to be adopted more broadly if they could just be worked up to the stage where they were able to be developed at scale. There's an intention that there'll be very broad access to those grants. Those haven't opened yet. We're hoping an EOI will open for those in June this year—next month.

**Senator STERLE:** That's part of the \$82 million committed; is that right?

**Ms Crosthwaite:** That is not part of the \$82 million committed, no.

**Senator STERLE:** Good.

**Ms Crosthwaite:** That's right.

**Senator STERLE:** That's part of the leftover \$18 million?

**Ms Crosthwaite:** Correct. Then, the last part of that research and adoption program is a science to practice forum, which will be occurring next month. Each of the eight hubs will be facilitating a venue, and there'll be a Canberra based hub joining it all together. It's to encourage discussion between the hubs, farmers, advisers and

researchers about what the hubs might be able to achieve in terms of drought resilience and to start the conversation about where they might be able to see the synergies between their different approaches to research and adoption. That's the final part of that program.

On farm business resilience, this is a program that is being run with the states and territories. You may have seen some media releases as the agreements have been signed over the last couple of weeks. There's \$15.97 million that has been announced so far. Under contract right now we have \$13.13 million. For that program, states and territories are going to develop programs to build business resilience for farmers. Some of it will be financial literacy and better use of risk management practices. It probably will look like some workshops in some of the jurisdictions, but each jurisdiction is taking a slightly different approach to how they want to deliver that. I just saw in the news today that the National Farmers Federation has provided some public support for the joint approach between the Commonwealth and the states on this. During the consultation that the consultative committee did one thing that was identified as a critical factor in building resilience was building the business resilience of farmers, so we're hoping that that will get to one of those big issues.

The other state and territory program is Regional Drought Resilience Planning. Again, it's being delivered through the states and territories. There has been \$10 million committed for that. At the moment we have \$7.75 million under contract. We're just waiting for a couple of the states and territories to sign on the dotted line.

**Senator STERLE:** Sorry, I'll just jump in before I forget. So that's \$10 million, of which \$7 million is contracted—

**Ms Crosthwaite:** Correct.

**Senator STERLE:** And this was available from 1 July last year as well?

**Ms Crosthwaite:** The funding was available. The negotiations and design of the program have taken until now.

**Senator STERLE:** Just so I'm clear: there was \$100 million committed as of 1 July 2020—

**Ms Crosthwaite:** Correct.

**Senator STERLE:** but all the paperwork and conversations hadn't been done prior to that announcement?

**Ms Crosthwaite:** That's right.

**Senator STERLE:** That's why I have got a blank look every time you mention a figure and there's still some left over.

**Ms Crosthwaite:** That particular program will provide funding to states and territories to do some planning for drought resilience at a regional level, so this will be engaging with councils, local community groups and farming organisations to develop the types of plans that will assist an entire region to become more resilient to drought. It is expected that there will be some intersection between what comes out of that—so they'll come up with a plan—and future funding from the Future Drought Fund. Some of the next lots of \$100 million may be able to be used to fund activities that come out of those plans. This is starting to do the groundwork for what the Future Drought Fund future funding might be used for.

**Senator STERLE:** What's the end date for this money? Is it use it or lose it, or is it going to sit there over the forward estimates? This is the \$100 million.

**Ms Crosthwaite:** The \$100 million is available for use in the financial year in which it's appropriated, unless it's moved to the next year.

**Senator STERLE:** That's what I was going to ask. We've still got \$18 million, so what happens? Do we put in another \$80 million in?

**Ms Crosthwaite:** Yes. We're seeking to have it moved to the next financial year.

**Senator STERLE:** That's great. They are six projects. You still have another two. I cut you off.

**Ms Crosthwaite:** I've got more. That was not six. It was only three.

**Senator STERLE:** I'm sorry. I counted the \$235,000 because I did an asterisk before you told me what it was.

**Ms Crosthwaite:** The next two programs are related to one another. We have Climate Services for Agriculture and the Drought Resilience Self-Assessment Tool. This is a very technical program that will result in something really practical for farmers. It has been acknowledged that there is a need to provide more accessible and more reliable climate data for agricultural users. CSIRO and the Bureau of Meteorology have been contracted to do some work on that. They will be making available climate related data that is both backwards looking and forward looking at a local scale for farmers.

The next part of it—the Drought Resilience Self-Assessment Tool—is going to use the data that is created through the Climate Services for Agriculture project and combine that with an individual farmer's own data, so information about what it is they grow and information they might have about local climatic conditions, and turn it into a self-assessment tool that the farmer can then use to make decisions about how to best manage risk at their farm level. That will be a quite practical tool that, hopefully, will assist farmers in making business decisions.

**Senator STERLE:** Thanks for that. We don't normally have this problem. Normally we run out, with people fighting over it and all that. Why haven't we been able to spend this \$100 million? It could be a very good sign. Is there not a lot of confidence among people on the land wanting to stay there longer? I don't know.

**Ms Crosthwaite:** The \$100 million is being allocated to programs that are consistent with the funding plan. There's a legislative instrument which was disallowable, which is the Drought Resilience Funding Plan. After that instrument was tabled and the programs were developed, we've had a process of developing solid programs based on feedback that we've received after the funding plan was released. This is a new program. We have been putting in place some really robust arrangements for the integrity of the program and the ways that payments are made. We have been very careful about getting it right the first time. Where we have received feedback about announced programs, we have taken that on board, gone back to the decision-makers where it's been appropriate and asked them to consider different ways of delivering the program. I don't think it's fair to say that there's not demand for the programs or the money; this is the first year we've done it. We are establishing eight brand new programs, some of which are quite complex, and we are doing it right the first time.

**Senator STERLE:** It wasn't a smack in the gob. I'm just saying normally we don't have a problem finding people to line up to get access to government funds. Did anyone get knocked back or did any ideas get knocked back or any proposals? Look, I don't have a trick up my sleeve.

**Ms Crosthwaite:** Some of the grant programs we have rolled out—I didn't actually get right through my list—were competitive grant programs made available to all. Not all of the projects that had applications in were funded, so people have been unsuccessful in applications for grants for the NRM landscapes and the NRM grants programs.

**Senator STERLE:** Are they the two where I cut you off?

**Ms Crosthwaite:** Yes, I haven't got there yet.

**Senator STERLE:** Sorry, keep going.

**Ms Crosthwaite:** That's okay. Certainly people have applied for funding for projects under each of those programs and not been funded. This is the first year. There will be more opportunities for people to participate in programs under the Future Drought Fund. The processes we have put in place have criteria. It's run as a grant program, so people know the criteria when they apply. Independent selection panels assess those and provide advice to the consultative committee, who then advise the minister about how they recommend he approve progress.

**Senator STERLE:** Who is the consultative committee?

**Ms Crosthwaite:** If you can just give me one moment, I will give you the correct answer. We have five members of the consultative committee. Mr Brent Finlay is the chair.

**Mr Metcalfe:** Brent, of course, is a former chair of the National Farmers Federation.

**Ms Crosthwaite:** Dr Wendy Craik.

**Senator STERLE:** From the Craik report.

**Mr Metcalfe:** There have been many Craik reports.

**Ms Crosthwaite:** Dr Kate Andrews, Dr Elizabeth Peterson and Ms Caroline Welsh. So there is a range of backgrounds there, including agricultural industry, climate, research, et cetera.

**Senator STERLE:** Do they come together every couple of months or every couple of weeks or whenever there is a proposal put to them? How do they normally operate?

**Ms Crosthwaite:** They meet quite frequently, and I do have a list of all their meetings. Would you like me to read it or table it?

**Senator STERLE:** I don't want you to take it on notice because you have more important things to do when you get back to the department than writing answers to QONs, so please go for it.

**Ms Crosthwaite:** They have met on 24 September 2019, 25 September 2019, 4 October 2019, 11 October 2019, 14 October 2019, 18 October 2019, 4 to 7 November 2019, 6 to 8 November 2019, 11 to 14 November,

2019, 18 to 20 November 2019, 25 to 27 November 2019, 2 and 3 December 2019, 4 December 2019, 9 December 2019. I have another page and a half here.

**Senator STERLE:** Put it this way: it's regular.

**Ms Crosthwaite:** It is genuinely regular.

**Senator STERLE:** You don't have to table it; it's regular.

**Ms Crosthwaite:** And looking at the frequency of the meetings in the beginning, it was even more regular as the consultation process was being undertaken as well.

**Senator STERLE:** Are there sitting fees for them and accommodation?

**Ms Crosthwaite:** Yes, they are remunerated under the Remuneration Tribunal.

**Senator STERLE:** Is that part of the \$100 million or is that a separate pot of money that pays the consultative committee?

**Ms Crosthwaite:** I believe that is a separate pot of money but I will wait for someone to send me a text message confirming that.

**Senator STERLE:** Sure. No worries. That's fine. That's great. I just hope you get to spend the other \$18 million quickly. I will let you escape.

**Mr Metcalfe:** Not too far. We might need her for other things.

**Senator STERLE:** Not too far because we will go into—I assume—drought and resilience adoption and innovation hubs which we've touched on. We've talked about that. I think we've done to death the drought stuff. I'm give giving you another second opportunity. Run—

**Ms Crosthwaite:** I'm just waiting to see what you might—

**Senator STERLE:** before I think of something. Thank you for that.

**Senator SHELDON:** How much funding is allocated to the Agricultural Stewardship Package?

**Ms O'Connell:** In this budget, there was an additional \$32.1 million for agricultural biodiversity stewardship. That is on top of the 2019 budget commitment of \$34 million.

**Senator SHELDON:** Are you able to just give us a breakdown of the funding with the total as well as across the forward estimates.

**Ms O'Connell:** Do you mean for this budget's funding?

**Senator SHELDON:** Yes, thanks.

**Ms O'Connell:** Yes. I'll ask my colleague to do it across the forward estimates but the additional funding comprises: \$22.3 million to deliver the pilot program protect and manage existing high-value native vegetation; \$5.4 million to implement an Australian farm biodiversity certification scheme; and \$4.4 million to establish a biodiversity trading platform. Now, that's across the forward estimates. If you want the breakdown across those years, I'll ask my colleague to read those figures out, but they are the sum over from this budget.

**Senator SHELDON:** Over the years will be helpful, thank you.

**Ms Stuart-Fox:** Sure. For the enhanced remnant vegetation pilot extension, the administered funding is \$4.6 million and \$1.3 million in 2021-22. In 2022-23, again, similar figures, so in each one of the out years it's the same amount in administered funding, with a declining amount in departmental funding.

**Senator SHELDON:** Can you give us the figures as you are going through?

**Ms Stuart-Fox:** So it is 0.955 in 2022-23 for departmental for the enhanced remnant vegetation, 0.959 in budget year 2023-24 and then 0.039 in budget year 2024-25. For the biodiversity certification scheme, it's \$1.5 million in each over three years and then nothing in the fourth year, with departmental expenses being 0.325. Then in the next year, in 2022-23, 0.277 and in the following year 0.278.

**Senator SHELDON:** How much of the funding has been expended, committed or unallocated?

**Ms Stuart-Fox:** This is new funding, so it has not been committed or allocated.

**Ms O'Connell:** This from the \$34 million from the 2019 budget.

**Senator SHELDON:** Are you able to break down where that unexpended amount came from, what programs?

**Ms O'Connell:** There were two allocations in the 2019 budget; \$34 million was allocated. In this budget, \$32.1 million was allocated on those three measures that I talked about—the enhanced remnant vegetation et cetera. Of course, the budget funding for this financial year hasn't yet been committed, because we've not yet got the funding appropriated.

**Senator SHELDON:** I appreciate that. For the last financial year, how much of the money has been expended, committed or unallocated?

**Ms O'Connell:** From the original \$34 million, appropriated in 2019?

**Senator SHELDON:** Yes.

**Ms O'Connell:** I'll ask my colleague to have a look at that. A significant part of that is the Carbon + Biodiversity Pilot. We're seeking applications for that trial right now. It opened on 12 April and will be open until June. We would expect a major part of those commitments to happen once the selection process for the trial takes place. I'm not sure my colleague can do it now, but we can also give you the per-year amounts over the forward estimates from the 2019 budget.

**Senator SHELDON:** That would be helpful—and encompassing the expended, committed and unallocated funds.

**Ms O'Connell:** Yes.

**Ms Stuart-Fox:** I'll get my colleague Anthony Bennie to provide that.

**Senator SHELDON:** Thank you.

**Mr Bennie:** In the current financial year, 2020-21, we have expended \$1.8 million and we've committed \$1.25 million, and there's an uncommitted amount of \$6.4 million, which is intended to be used for the current round of the Carbon + Biodiversity Pilot. Those applications are due to be received on 11 June 2021. Going forward into the future financial years, I'd have to do a separate breakdown on that. I'd have to take that on notice so I can provide the detailed figures for you.

**Senator SHELDON:** Thank you. That would be helpful. How much funding from the Agriculture Stewardship Package is allocated to the Australian Farm Biodiversity Stewardship Pilot? I think you may have mentioned it, but I'm not quite sure whether I got the figure.

**Ms O'Connell:** The Carbon + Biodiversity Pilot component of it?

**Senator SHELDON:** Yes.

**Mr Bennie:** For the Carbon + Biodiversity Pilot, we have funding of up to \$23.5 million.

**Senator SHELDON:** How much funding has been allocated to each of the six pilot regions?

**Mr Bennie:** We haven't allocated specific funding amounts to each of the pilot regions. We're in the process now of seeking applications for each of those pilot regions, and we'll see, as those applications come through, how they are assessed against the cost-benefit analysis that we're undertaking to see how the funds are allocated.

**Senator SHELDON:** What's the expectation on when the six trials will start?

**Mr Bennie:** We're going through the application period now. The minister will be making a decision on the outcomes of that in June, and offers will be made to those applicants. So projects will start commencing from then.

**Senator SHELDON:** Can the department confirm how the six regions and the farmers were selected to be part of the Australian Farm Biodiversity Stewardship Pilot? I appreciate you're still going through the pilot, but can you step me through how the selection process will work?

**Ms O'Connell:** The selection process for the individual farmers hasn't happened yet, because it's still open, until 11 June. The farmers will be within those six NRM regions. I'll ask Mr Bennie to talk to the selection of the six NRM regions.

**Mr Bennie:** For the selection of the six NRM regions, a number of criteria were put in place to inform that decision. Regions needed to be in intensive land use zone. There had to be a high proportion of agricultural land in the region. There was the conservation status of native vegetation in the region, with a priority given to regions with a low proportion of remnant vegetation and a high proportion of threatened vegetation types. The availability of program and project datasets to help inform the decision-making was another criterion. Pilot regions needed to be located across a range of regions and vegetation types, and projects needed to be located in pilot regions which would be accessible by departmental staff and other relevant agents in the event of restrictions that may come into effect due to COVID outbreaks.

**Senator SHELDON:** Back to the timeframe point, you were saying that, in the middle of the year, it will be passed to the minister to make a decision. So there's a series of recommendations from the department and then the final decision is made by the minister. Do I understand that correctly?

**Mr Bennie:** Yes. There's an assessment panel that will be reviewing the applications that are received, and, based on that assessment, recommendations will be given to the minister.

**Senator SHELDON:** And the minister is able to change those recommendations?

**Mr Bennie:** Recommendations will be provided to the minister based on the assessment criteria.

**Senator SHELDON:** I apologise if I'm asking something that's relatively straightforward, but I just want to be sure I understand it. Does that mean that the minister is able to change the program that's put forward, or are you saying in the answer you just gave me that the minister can not accept the recommendations but has to make decisions within the framework of the selection process?

**Mr Bennie:** There are specific guidelines that have been released for the Carbon + Biodiversity Pilot, which define the processes that are undertaken and the assessment basis that will be used to inform the recommendations provided to the minister. They've been made available to all participants, and they will be applied in the decision-making process.

**Senator SHELDON:** Again, I'm sorry to be asking about something that is probably very obvious for everybody else in the room. As to the decision from that process, is the minister able to vary from those recommendations?

**Mr Bennie:** The recommendations are provided to the minister with a ranking of the applications, based on the assessment process. He is the ultimate decision-maker on that, but, in accordance with the guidelines, he will take into account the advice provided by the assessment panel.

**Senator SHELDON:** Have you looked at what products you want to see farmed in each of the six pilots? I appreciate you're still in the selection process and there are still some steps to go, but what's the ambition in terms of the products you'd be looking at in the six pilot regions?

**Mr Bennie:** In terms of the number of applications that we would be receiving?

**Ms O'Connell:** Or do you mean the type of product—what's the type and nature of the things that we would expect to see?

**Senator SHELDON:** Yes, the type of product.

**Mr Bennie:** The proposals that we'd be receiving are informed by the planting protocol that's been developed by the Australian National University, which provides detailed specifics about the planting projects for diverse plantings of native species in those regions. That would be planting vegetation types in predominantly unproductive lands in the landholdings. It could be shelter belts or riparian zones, where increasing vegetation cover would provide broad biodiversity benefits in conjunction with the Emissions Reduction Fund projects that they're linked with.

**Senator SHELDON:** Regarding the six regions selected, are the ACT and the Northern Territory included?

**Mr Bennie:** No.

**Ms O'Connell:** We could read out the NRM regions if that would help?

**Senator SHELDON:** Yes. Thank you.

**Ms O'Connell:** Burnett Mary in Queensland, Central West in NSW, North Central in Victoria, North in Tasmania, Eyre Peninsula in South Australia and South West in WA. They're representative of a range of jurisdictions, a range of different farming systems and a range of different vegetation types. It's a representative sample of NRM regions.

**Senator SHELDON:** Thank you. This may be an obvious question—or it may be an obvious answer, probably more importantly—but why weren't the ACT and the Northern Territory included in that pilot program?

**Mr Bennie:** In terms of the criteria that we were using, those regions met them comprehensively, with broad intensive land zones to provide that combination of agricultural lands and conservation areas. In terms of undertaking an analysis of the protocols developed by the ANU, the Australian National University—the planning program protocols—they provided a broad spectrum to be able to do that scientific analysis of the approach that has been used for those protocols to ensure that there are biodiversity benefits being achieved by those activities on the ground.

**Senator SHELDON:** I just go back to the question: why don't the territories meet those criteria? I would have thought that they would meet those criteria for consideration in certain circumstances.

**Mr Bennie:** The Northern Territory is not in the intensive agricultural zone, so it didn't meet that criterion.

**Mr Metcalfe:** And, in the ACT, there is some grazing and some very small agricultural production, but it's pretty small compared to others.

**Senator SHELDON:** Thank you.

**Ms O'Connell:** I would emphasise that the six NRM regions are for the purpose of the trial, so it's not an ongoing restriction. It's for the purpose of the trial.

**Senator SHELDON:** Good. Thank you. How different is the government's approach from the Carbon Farming Initiative under the former Labor government? How has the policy changed?

**Ms Stuart-Fox:** I guess the main difference is that they're crediting quite different things. The Carbon Farming Initiative is just crediting the carbon in plantings and other forms of vegetation, whereas the agricultural stewardship pilot is looking to credit the value of the biodiversity quite explicitly. So, both in this pilot and in the Enhancing Remnant Vegetation Pilot, the thing that's being measured and tested through the protocols is the biodiversity benefit or value.

**Senator SHELDON:** I really appreciate that outline. I clearly understand it now. Is there any other detail on differences between the two programs?

**Ms Stuart-Fox:** The Carbon Farming Initiative is a legislative scheme which has a whole lot of rules for participation. At this stage, the pilot, because it is a pilot, has quite different criteria or requirements for participation for farmers. It's probably worth—

**Senator SHELDON:** I'm more than happy to hear what you have to say.

**Ms Stuart-Fox:** I was just saying that, with the carbon plus biodiversity, it's actually looking to credit the biodiversity component, and the carbon component is credited through the Emissions Reduction Fund. That's recognising that there are two quite distinct sets of values through plantings that farmers should be rewarded for.

**Senator SHELDON:** Thanks. That's very helpful.

**Senator STERLE:** I just want to talk about the National Framework for the Management of Established Pests and Diseases of National Significance here in the Senate—sorry, I mean in our nation! I was just seeing if you were listening, Minister!

**Senator Ruston:** I have been hanging on your every word. Luckily, they've been few and far between!

**Senator STERLE:** Have we lost our pig-goat-deer person?

**Mr Metcalfe:** I think they're on the way from next door.

**Senator STERLE:** No worries. Pigs aren't a problem anymore, Senator McDonald! They've gone away!

**CHAIR:** I'm sorry?

**Senator STERLE:** Feral pigs.

**CHAIR:** They're no longer a problem? Is that right? Did you just announce it.

**Mr Metcalfe:** There's certainly money in the budget for it.

**Senator STERLE:** Good. We've been threatened with a feral pig inquiry in this committee for years.

**CHAIR:** You'll be delighted to know that environment has just done one.

**Senator STERLE:** Environment is doing it—

**CHAIR:** Yes, they've just done feral pigs and wild dogs.

**Senator STERLE:** What a shame; I missed it!

**Mr Metcalfe:** We are jumping to outcome 4.

**Senator STERLE:** Mr Tongue is here. Hello, Mr Tongue.

**Mr Metcalfe:** This fits under biosecurity.

**CHAIR:** Pigs are outcome 4.

**Mr Metcalfe:** We've got the right people here, but I'm just saying that we have—

**Senator STERLE:** Pigs are outcome 4, are they?

**CHAIR:** We still have outcome 3 questions to go. Do you want to—

**Senator STERLE:** No, I'll wait. I'll come back at outcome 4. This won't take me long.

**CHAIR:** I've got some questions on it too.

**Mr Metcalfe:** I've got the right people here, Chair.

**Senator STERLE:** No, I think Senator Davey has some outcome 3 questions—that's correct, isn't it?

**CHAIR:** A few of us have pig questions.

**Mr Metcalfe:** Have you got pig questions—

**Senator STERLE:** Mr Tongue, you were salivating about the thought of talking about pigs and being home to watch *Master Chef*!

**Senator DAVEY:** Have you got the soils people here?

**Mr Metcalfe:** If Senator Davey has soils questions then I'll need to get other people to join.

**Senator DAVEY:** Well, why don't we—

**CHAIR:** Unfortunately the soils lady had to go before two o'clock, so you'll have a more junior member—

**Senator Ruston:** She's in environment at the moment if you want to go and speak to her. She went from here to environment.

**Mr Metcalfe:** No, she's actually in a round table with the minister.

**Senator Ruston:** She's with the minister, so you might join that!

**Senator DAVEY:** I can wait. Go on to pigs. If she's—

**Senator STERLE:** No, she's not coming back.

**CHAIR:** She's not coming back until 6:30

**Mr Metcalfe:** She won't be back for a while. Chair, maybe if Senator Davey could give me a little bit more information, I'll see whether there are others who can assist.

**Senator DAVEY:** Soils information system—soils extension service.

**Mr Metcalfe:** I think we do have some people who can help. We'll get the pig people back.

**CHAIR:** We're all chomping at the bit to hear from you!

**Mr Metcalfe:** Feral pigs are a big worry.

**CHAIR:** Indeed, they are. How many feral pigs are we up to? The last number I heard was 26 million feral pigs across the land.

**Mr Metcalfe:** Yes.

**CHAIR:** Everybody is very—

**Senator DAVEY:** Is that more than sheep?

**Mr Metcalfe:** No, we've got more sheep.

**CHAIR:** More than people.

**Mr Metcalfe:** There are about 70 million sheep.

**CHAIR:** If everybody went out to get one feral pig each, we'd nearly clean them up!

**Senator Ruston:** You can get mine; you can have two!

**Mr Metcalfe:** I had a few on my place recently. They're quite difficult creatures to deal with. Right—we can talk soils.

**Senator DAVEY:** Thank you very much. I apologise for missing the opportunity earlier in the day. I'd like just a bit more information about the National Soil Information System. How is it being developed, and what consultations will be undertaken as it is being developed?

**Ms Deininger:** The soils package was announced as part of the budget measures. Is your particular question about the soil information management system?

**Senator DAVEY:** Yes. And is this the system where we're also seeking input from farmers?

**Mr Metcalfe:** Yes.

**Ms Deininger:** The soil package has quite a number of different components. The key thing we are seeking to do is to be able to extract data from the soil samples. There are rebates for farmers and incentives for farmers to encourage them to be involved in the soil testing program. What we are seeking to do in broad terms—because we know there is already data in relation to soil in existence, whether it's with farmers, with CSIRO or with the states and territories—is to bring the existing information data together, if it's of the right quality, standard and so on and has the right attributes, together with the new data into a soil information management system so that there is then a system where we can reliably understand the soil attributes and understand the improvements in soil. It



might then lead to market based mechanisms. There has been money set aside to establish that system. We are at the very early stages of the program; it won't start until the coming financial year. We'll be working with stakeholders, whether they're farming groups or the states and territories. We have worked of course with Penny Wensley, the Soils Advocate, in the development of this program. We'll continue to work with stakeholders as we develop each of the elements of the program.

**Senator DAVEY:** Everyone wants to improve their soil. A lot of farmers have been doing soil samples for many years and have quite a good historical database of their farm. But, when we talk about turning it into a market based mechanism, there is concern from some farmers who may, for no reason of their business management practices, just have a block of land that has worse quality soil that may impact on the value of their asset. So farmers want to understand a lot more about how this information is going to be used, how publicly available it's going to be and then what sort of market interconnectivity there will be, because they don't want their asset undermined by suddenly having people being able to compare whether that's a high-quality farm or a low-quality farm.

**Ms Deininger:** I certainly understand that sensitivity. One of the ideas is that, in time, it might be possible to develop markets for carbon sequestration. That could be a real benefit to farmers. I certainly understand, essentially, the underlying privacy concern that you've raised. Those are the sorts of issues that will be considered as the existing data is looked at and as the new mechanisms are established.

**Senator DAVEY:** So as a first step would it be safe to say the first phase will be collecting and collating potentially historical data, looking at what's there and looking at what the gaps are and how we can develop a program to fill those gaps in?

**Ms Deininger:** I think we'll be doing a couple of things simultaneously if we can—looking at the existing data and how much of that can effectively be reused and reutilised rather than doing all the testing again, because obviously that's an additional expense, but then also, as you described, working out where the gaps are and then engaging with those farmers and those businesses on that and then whether or not those different data sources can be brought together in the one repository.

**Senator DAVEY:** The soil extension services were also outlined in the budget. Can you give us a bit more information about what that will be doing and how that will be rolled out.

**Ms Deininger:** Again, this is intended to start in 2021-22—so in the new financial year. Really, this is more about a network of on-the-ground the people who will be able to promote soil testing and help businesses and farmers to act on those results. We're looking to really rely on those local networks and that local knowledge in those soil extension services.

**Senator DAVEY:** There was a significant amount of funding set aside for soils, which is good and quite recognised in the industry. Will it be accompanied by additional staff and additional resources outside the department, maybe based in Deniliquin, Griffith or Wagga?

**Ms Deininger:** There was funding, as part of the measure, for between six and eight staff each year through the contracting arrangements. I'm not sure if you're familiar, but the budget process tends to give funding for contractor rather than average staffing level staff. So we will be looking to boost the number of staff on this package. We haven't made any decisions about where they might be and that kind of thing, but there are certainly additional staff. We already have a substantial team of eight or nine working on the soils work now in addition to the Soils Advocate and her team, but there is funding in the measure for additional staff.

**Senator DAVEY:** Thank you very much. That puts things into a bit more perspective. Essentially, though, both the extension service and the information system will start in the new financial year, there will be a lot more consultation going forward on the information system and it will be a staged implementation.

**Ms Deininger:** Sorry, I misread my staffing numbers. In—

**Mr Metcalfe:** I think, given that we're talking about soils, we should put on the record the work and the passion displayed by the Soils Advocate, the Hon. Penny Wensley, who is a former governor of Queensland, and her predecessor, the late Major General Michael Jeffery, the former Governor-General, who really championed this role. It's an issue where the Soils Advocate reports directly to the Prime Minister. The Prime Minister has a very strong interest in the issue, as do both the agriculture minister and the environment minister, because soils relate to the entire landscape.

I'm also conscious that there's been some great research done over many years in this area. You'd be familiar with the facilities at Charles Sturt University down at Wagga for example, where they actually have a laboratory that sits down underground where they can measure the impact of various treatments and plants on soil as well. So we'll be working closely with the best scientific advice in taking these programs forward.

**Ms Deininger:** If I might just correct myself, Senator, the contractor figures I gave you before were in relation to the Food Waste for Healthy Soils Fund, which was the subject of discussion earlier. In relation to the remainder of the soils package, the number of contractors is scheduled to be around 18 in 2021-22, around 12 in 2022-23 and then six in each of the following years. So we will work to boost the staffing to assist in the rollout of that program, in addition to the staff who are already working on it.

**Mr Metcalfe:** Finally, Senator, you mentioned concerns from constituents. If there are particular questions or concerns, please let us know, and we'll make sure, in our public materials and others, that we address any of those concerns to provide people with as much information as we can.

**Senator DAVEY:** Yes. Industry are very excited about the Soils Advocate and the new soil information system. Any help from the extension service, and any help to provide information about research that has happened that can improve their soils on farm, is good for the farmers and it's good for the environment. So it's an all-round win. The only concern, really, is privacy and what will happen to that data to ensure that their privacy and their business models are protected, as you say.

**Mr Metcalfe:** For sure.

**Senator DAVEY:** It's good to see recognition of the many years of work that has gone into soils information and improving our soil management and soil health. Finally, the extension service is the key goal of that, to make sure that farmers get access to the best and latest research and information on soil management and soil improvement.

**Ms Deininger:** That's right, and it's a very practical service. It is very targeted and very tailored to those particular businesses or local areas.

**Senator DAVEY:** And the local area is going to be the key bit, because soils vary.

**Ms Deininger:** Yes.

**Senator DAVEY:** Thank you very much. I appreciate that.

**Senator STERLE:** I want to get to feral dogs and pigs.

**CHAIR:** Yes. So everybody's done on outcome 3.

**Senator STERLE:** We're done.

[15:28]

**CHAIR:** We're all done. We're all dusted. Please go with our thanks. We will now commence outcome 4, and perhaps we will start with feral pigs.

**Mr Metcalfe:** Chair, given that we have moved to outcome 4 a bit earlier than we'd planned, I note that, following outcome 4 the Inspector-General of Biosecurity is scheduled to appear before the committee quite late this evening.

**CHAIR:** Yes.

**Mr Metcalfe:** I just wonder whether we should alert him—he's probably in Perth and will be attending by videoconference—just to make sure that he's available and at the committee's disposal rather than having—

**CHAIR:** Yes. Would you mind alerting him to be prepared for an earlier start time?

**Mr Metcalfe:** Thank you, Chair.

**CHAIR:** Thank you very much. Back to feral pigs. Senator Sterle, are you going to start.

**Senator STERLE:** Yes. You've excited me now, Mr Metcalfe, when you said there is money for the national—

**Mr Metcalfe:** There has always been money for feral animals, but there's more money for feral animals.

**Senator STERLE:** Yes, I understand that, but I just want to talk about it. With the National Framework for the Management of Established Pests and Diseases of National Significance, we've been talking a lot about this but I think it's been four years since that report was done. Is that right? Hello, Mr Tongue.

**Mr Tongue:** Hello, Senator.

**Senator STERLE:** You're looking younger too.

**Mr Tongue:** Thank you, Senator.

**Senator STERLE:** Has it been four years since that report was done?

**Ms Laduzko:** Yes, we do have some standing national framework documents, and I know we did a review process of them potentially four years ago. So, yes, they will be the standing framework documents.

**Senator STERLE:** I'm led to believe that we haven't got a single species that's been listed under the framework.

**Ms Laduzko:** Can I take that on notice? I'm just going to make sure that we're not talking at cross purposes and I'll get some information.

**Senator STERLE:** I will wait for you. This committee has been talking amongst ourselves about wild pigs, wild dogs and goats and everything, and we have been threatening to do inquiries but nothing has ever happened. So I just want to know what is going on out there.

**Mr Metcalfe:** There have certainly been many initiatives on dogs, deer and pigs and whatever. Again, of course, this is a shared space with the states, and we work with state governments, local land services and similar bodies in relation to pest and weeds.

**Senator STERLE:** So the National Framework for the Management of Established Pests and Diseases of National Significance was agreed to under the Commonwealth department—correct? Am I in the right area?

**Ms Laduzko:** Yes, you are, Senator. The Weeds of National Significance list, which has a lot of prominence, is currently being refreshed under the auspices of the national biosecurity working groups to make sure that it's current and appropriate, because a lot of jurisdictions rely on it to prioritise their funding.

**Senator STERLE:** So there is a list but there aren't any animals on it; it's just weeds?

**Ms Laduzko:** I think that is clear, but I am just checking that. But, as the secretary said, we do—in the ways that the Commonwealth can—together with states and territories invest quite a lot in what we consider priority established pest animals. We can talk through some of those.

**Senator STERLE:** I would like to, because I am led to believe that there is not one single animal on that list.

**Ms Laduzko:** There may not be. I will check that.

**Senator STERLE:** It is important that you get the list, because some of my colleagues from the National Party—not those country based Libs, but the Nats—would probably argue that there should be a couple of animals listed on that list. Senator McDonald, you're from the scrub and, Senator Davey, you're from the scrub.

**CHAIR:** I'm always keen that we have the same lists for the same jurisdictions. Often the states have a list.

**Senator STERLE:** Yes, the Weeds of National Significance.

**CHAIR:** Yes, but we'd hate to have separate lists that weren't reflective of the states' lists, wouldn't we?

**Mr Metcalfe:** We're just getting a bit of corporate knowledge, Senator.

**Senator STERLE:** That's great.

**Ms Laduzko:** It is true we have a national weeds list, which all states and territories subscribe to, and each state and territory will have specific weeds, for example—sorry; we're not animals yet—that are of more significance to them and their environment.

**Senator STERLE:** We understand that. But I'm just trying to work out why dogs, pigs, goats or deer are not on the national list—when this report was done some four years ago.

**Ms Laduzko:** We are waiting on that coming in.

**Senator STERLE:** I'm happy to wait. Do you want to suspend for five minutes while we wait?

**CHAIR:** Yes—

**Mr Metcalfe:** I'm sure there are other questions that we can answer.

**CHAIR:** Do you have other questions?

**Senator STERLE:** No; I just want to know why there are no animals on the list.

**Mr Metcalfe:** We are keeping on that.

**CHAIR:** While we are asking about that, I'd like to ask about crazy yellow ants. While they are a terrible, invasive species and they are threatening our native fauna, it is also a fun name to say. On crazy yellow ants, there has been a terrific program in the Wet Tropic, around Cairns, but they are also threatening Townsville and the coastal region. I'd very interested in and supportive of anything we could be doing to eradicate them in that region.

**Ms Laduzko:** You are right that, apart from the work that's been going on in the Wet Tropics Management Authority region, there was a new outbreak detected near Townsville, and that followed a few detections on Shute Harbour in the Whitsundays. The Queensland government has the key role in dealing with that outbreak, as it is an established species of ant.

As you alluded, we have invested through the Wet Tropics Management Authority, and there has been significant funding given to yellow crazy ants. Generally speaking, though, this is one of those areas where the state is the primary lead on efforts to either contain or eradicate that species. I think the Queensland government self-ceased a state-wide eradication program back in 2012, but they do put effort in to each outbreak. Our main engagement has been through some of our broader established pest, animal and weeds programs, where some of the funded programs have actually gone to efforts to support containment and eradication of yellow crazy ant. Most recently, under the competitive tools program—a grant program that Minister Littleproud announced—one of those projects was a partnership between a number of Queensland government invasive species councils and others to work on what's called eDNA technology to more easily locate the ants. I think it's quite similar to some of the other established pest animals, where we support largely through promoting research or national coordination where it applies. That's the same with this one.

**CHAIR:** I appreciate that the state has the lead on this but, given that Queensland has challenged keeping things like fire ants and other things under control, I think the state needs a hand to ensure we continue working on that. So I am interested in and supportive of whatever programs you have, and I will continue to write to the minister encouraging those programs. So it's probably back to you, Senator Sterle.

**Senator STERLE:** We are so blessed in this committee, seriously. I cannot believe our luck that Senator Urquhart has just joined us. As the deputy chair of the—

**Senator URQUHART:** No, I'm not.

**Senator STERLE:** Well, you should be.

**Senator URQUHART:** I'm a committee member. I happened to walk in during the ferals discussion, and I just wanted to ask a question. The Senate Standing Committees on Environment and Communications has just finalised a report on the impact of feral deer, pigs and goats in Australia. Are you aware of that report and had a look at the recommendations?

**Mr Metcalfe:** I am aware of the report. I think it is a very recent report, isn't it?

**Senator URQUHART:** It is. It was only tabled last week.

**Mr Metcalfe:** I certainly am aware of it. To be honest, I haven't studied it in detail yet. But we agree that those issues are very important. That's why there is additional funding in this budget, almost in anticipation of the sorts of issues you were looking at.

**Senator URQUHART:** Maybe next estimates I'll come back around specific questions around that funding, particularly in relation to the recommendations.

**Mr Metcalfe:** Yes, for sure. This is a really good example of the benefits of bringing together in the one department agriculture, water and environment issues. Pests and feral animals have a significant impact on our native environment, native wildlife and flora and fauna, but are also major pests as far as agricultural production is concerned.

**Senator URQUHART:** Absolutely.

**Mr Metcalfe:** So biosecurity and biodiversity are areas that fit right across the landscape. I look forward to reading the report, with interest, once I finish this week in Senate estimates.

**Senator URQUHART:** Excellent. Thank you.

**Senator STERLE:** Mr Metcalfe, how much is in the budget to address this issue?

**Mr Tongue:** There's an amount of \$29.1 million allocated in the budget.

**Senator STERLE:** For this financial year coming?

**Mr Tongue:** No; spread across four years. You'll find it in multiple places in the portfolio budget documents.

**Senator STERLE:** You know I'm not going to read that! You know that I'm going to ask you to tell me all about it.

**Mr Tongue:** The reason for that is, as Mr Metcalfe outlined, that we are approaching that task tender neutral.

**Senator STERLE:** Tender neutral?

**Mr Tongue:** If you're trying to control feral animals in, say, a farming system, what can happen with, say, wild dogs is the minute you start to try to control them they head into the nearby National Park. So what we are trying to do is remove artificial boundaries with the money so that, as we work with state or territory governments, individual farming groups et cetera, we can actually respond at a landscape level, so that we can try

and deal with large populations of feral animals. The budget gives us a funding flow for four years on top of all the things we are already doing out of the biosecurity budget—

**Senator STERLE:** Sorry; what are you doing? I want to know what \$29.1 million is going to give us over time. Is it for bullets, guns and cannons?

**Mr Metcalfe:** I think the minister has described it as wanting to see cartridges on the ground next to dead pigs. It's a very focused, practical series of things we're looking at.

**Senator STERLE:** Tell us all about it, because this is the first time I can think of that we've had a proper discussion in this committee about money being allocated to do things for wild animals. There are no known animals on that list?

**Ms Laduzko:** There are no terrestrial animals on the list. There are marine animals. These national listing processes are collective of all states and territories, and there's not been a decision to list a particular feral animal. There is the Australian Pest Animal Strategy, which is a separate document. I think it's reasonable to say that most jurisdictions are aware of which are the highest-priority pest animals for them.

**Senator STERLE:** I've got to get this clear in my head. There has been no listing. Is that because the states haven't all sat there and said, 'Gee whiz, we should put wild dogs on the list'? Is there a blue between the states?

**Ms Laduzko:** No, I don't think it is that. I think it's just the time and place. We haven't made that final consensus decision about which animals to list—unlike the Weeds of National Significance list, which has been heavily used and invested in and refreshed over time. That's the answer: there aren't any listed, but there is a lot of activity around different pest animals we can talk about.

**Senator STERLE:** Thanks for that, but help me out. I have known about wild dogs for many, many years, because they have been reported to us. They have been an absolute pest, particularly in Western Australia, encroaching and coming from the eastern border—I'm not blaming the eastern states—and moving west all the time. How do you get a terrestrial animal on the list? I've got a thing in front of me from 2019 on the amount of damage done by wild dogs in the Kimberley, in Anna Plains alone—172 dogs across 70 properties.

**Mr Metcalfe:** I think what Ms Laduzko is pointing to is that the list is owned by the many governments of Australia. It sits underneath the Australian Pest Animal Strategy, which is a Commonwealth-state document. While there has been progress in relation to marine pests and weeds, there is still this ongoing thing to get agreement. Notwithstanding that, that in no way reflects a lack of commitment from the Commonwealth or various states to dealing with pests and feral animals. You've seen significant Commonwealth funding around dog fencing. In the part of Australia I'm probably most familiar with, Western Queensland, wild dogs had a massive impact on the sheep industry there. Fencing and other measures have started to allow some areas to be repopulated. Similarly, the feral deer—

**Senator STERLE:** Repopulated with sheep?

**Mr Metcalfe:** With sheep. Many people either abandoned properties or moved to cattle or goat farming because of the dog impact. Pigs are a major preoccupation for us as well.

So we are getting on with it, and we will continue to work with our state and territory colleagues around nominating animals et cetera. But this money in this budget, which Mr Tongue can explain in detail, is a very practical way of wanting to work with the states and territories—they're the people who have got their fingers on the rifles, so to speak—to get some agreement about stepping up efforts on these issues.

**Senator STERLE:** That's great; thanks, Mr Metcalfe. I will come back to you, Mr Tongue. How many machine guns can we get for \$29 million?

**Mr Tongue:** The way we anticipate that that money will roll out depends on the feral species, as to what the best control mechanism is. One thing we've been involved with is what's known as a deer aggregator—how do you get all the deer together in a particular setting? With feral dogs, you can fence them, bait them or shoot them. It depends on the nature of the feral species. I will throw to Ms Laduzko, who can go through the detail of—

**Senator STERLE:** And we haven't even started talking about camels yet!

**Ms Laduzko:** Do you want a breakdown of the measure?

**Senator STERLE:** Yes, please.

**Ms Laduzko:** Just a straightforward one, and then we can talk about—

**Senator STERLE:** That would be handy.

**Ms Laduzko:** I think Mr Tongue was probably alluding to the fact that the Commonwealth funds certain ways and then others will take action with the appropriate response.

**Senator STERLE:** Okay.

**Ms Laduzko:** The measure itself, the \$29.1 million, is over four years, and that's separated into a couple of key areas. Some of that was discussed on Monday. There's \$6 million that will go to the National Heritage Trust, and that will be delivered through the NRM groups for on-ground pest and disease reduction activities.

**Senator STERLE:** Can I ask as we go, just so I don't get lost: the National Heritage Trust?

**Ms Laduzko:** Yes.

**Senator STERLE:** What would that do?

**Ms Laduzko:** It's a funding mechanism by which we can fund the natural resource management groups, and they will do on-ground efforts with established pests—

**Senator STERLE:** Oh, the NRMs. Okay.

**Ms Laduzko:** NRMs—sorry. They will do on-ground pest animal weed reduction activities but with a particular focus on threatened species and ecological communities.

**Senator STERLE:** Threatened species being animals?

**Mr Metcalfe:** Threatened species being native animals that are—

**Ms Laduzko:** Or weeds.

**Senator STERLE:** So native animals?

**Ms Laduzko:** Yes. There's \$4 million allocated to go to support work by the Indigenous rangers groups. Similarly, it's to support on-ground efforts around pest animal and weed management, with a particular focus on biodiversity protection and cultural values.

**Senator STERLE:** So it's animals and weeds. You see where I'm getting confused.

**Ms Laduzko:** Yes, sorry.

**Senator STERLE:** Okay. You tell me what the \$29 million is, and I'll pretend I'm doing shorthand here. It's animals and weeds, and that's the Indigenous ranger groups?

**Ms Laduzko:** Yes. There's just over \$8 million to go to research and development grants. Part of that is that, as you may be aware, we put out a \$13 million control tool competitive grant program. It was very oversubscribed, and there were lots of quite positive and good programs put forward for that grant. We'll use some of the funding to fund more of those projects. There is just over \$6 million allocated to support the creation of more national coordinator roles to focus on priority and significant pest animal and weed species. As I know the committee's aware, we have national coordination arrangements in place for deer, pigs and wild dogs, and we just tendered for a weed coordinator. So this funding can either continue those roles or expand them into other important areas. There is also some additional money which will probably go to ABARES to do more research on distribution and impact for critical pests and weeds.

**Senator STERLE:** That's additional. Is that like \$25 million? I'm just trying to count as you go.

**Ms Laduzko:** It's around \$2 million. These are our intentions.

**Senator STERLE:** That's alright. It's not a criminal offence if you haven't it to the cents. So ABARES gets a couple of mil.

**Ms Laduzko:** And there's some residual money which will be for the usual program administration, implementation and community grants hub type expenditure.

**Senator STERLE:** So the residual is \$3 million?

**Ms Laduzko:** No, \$2 million.

**Senator STERLE:** Okay. Help me out. Just tell me what they are so I don't have to keep adding and trying to find out what's left.

**Ms Laduzko:** Okay. Sorry. If I give you the dots—\$2.2 million and \$2.4 million—it should add up to the \$29.1 million.

**Senator STERLE:** Okay. That's over four years, of course.

**Ms Laduzko:** Over four years.

**Senator STERLE:** That's not first up. I'll let you take this one on notice if you can, please, because it's going to sit here and I'll run out of ink when we try to work out how much goes into that each year. But for the ignorant up the front here, being me only, of that \$29.1 million—a lot of it's R&D, and there's information collecting with

ABARES, and the NRMs can do something around native animals—how much money's actually going to eliminating the pest?

**Ms Laduzko:** That depends on how you interpret it, doesn't it? If you're talking about on-ground, the purpose of the first \$10 million for the NHT and the Indigenous rangers is directly for on-ground effort against established pest animals and weeds.

**Senator STERLE:** But that's animals and weeds.

**Ms Laduzko:** Yes.

**Senator STERLE:** So this is a new pot of money. There are already pots of money out there addressing weeds—correct?

**Ms Laduzko:** And there are already pots of money out there addressing animals as well.

**Senator STERLE:** Okay. So what I'm trying to get to is that there are a lot of things on the ground to talk about. The first \$10 million will go, but, of that first \$10 million, wouldn't a fair bit be swallowed up in other things, like administration? Is that what it is?

**Ms Laduzko:** No, because—

**Senator STERLE:** I want to know how many dingos, deer, camels, pigs or whatever it is we're actually going to wipe out.

**Ms Laduzko:** I don't think it's possible to provide an answer to that ahead of the program being established and getting some performance reporting. Obviously, we'll go through our normal processes to find good projects. I would not even be able to say what split would be animal to weed. It's probably a question to come back with once we've got those programs running and see from that point on.

**Senator STERLE:** On that, do you rely on the states? I shouldn't pretend that I think the states are going to come and say this, but wouldn't there be a case where states would say, 'Hey, we've got a real big problem here with'—whatever that animal is—and what we've tried to do so far hasn't worked. We have to resource it a bit more.' Wouldn't they knock on your door when there's an opportunity to get their fingers on \$29 million, or some of it?

**Ms Laduzko:** The way this money is currently allocated for the measure is that it doesn't go directly to states and territories through something like a national partnership agreement. The states and territories indirectly could be recipients because the grant involves a state or territory. Some of the NRM bodies are, in fact, bodies of states and territories. But, yes, as you're aware, we've had other programs over the years, and we often talk through the various committees about priority areas.

**Senator STERLE:** How much do we actually have that addresses eliminating feral animals?

**Mr Tongue:** I'd make the point that we're not the only funder in the firmament of the Commonwealth. For example, Australian Wool Innovation recently allocated money to wild dog control.

**Senator STERLE:** Their own money?

**Mr Tongue:** Levy payers' money—going out to wild dog control. I'd also make the point that, when we talk research, we're not talking laboratory research; we're talking practical, on-the-ground research and best ways to eradicate feral animals. For example, we work a lot with the Centre for Invasive Species Solutions. There, the effort is about not only the most efficient way to manage the eradication, say, of wild dogs, wild deer or wild pigs but also a way that is as humane as possible and, in the context of the environment in which we are doing it, as sensible as possible. Eradication of feral animals in a national park looks different to that in a farming system. So, across the sweep of the rural research and development corporations, the work we do in agriculture and the work that happens in environment, there is a substantial Commonwealth investment in the eradication of feral animals. I'd have to take on notice the total sum and we'd have to go consulting quite a wide range of players, but I'm happy to have a go to give you some comfort that it is a substantial effort.

**Mr Metcalfe:** Minister Littleproud put out a press release on 8 May that I would draw your attention to. He talked about the fact that, since 2014, the Australian government has invested over \$60 million to support wild dog management—

**Senator STERLE:** \$60 million.

**Mr Metcalfe:** \$60 million—assisting state and territory governments and land managers to control wild dogs and reduce their impacts on agriculture and the environment. There's now this additional funding. We, of course, have a national wild dog management coordinator, Mr Greg Mifsud. He works very closely, because of the shared responsibilities, with Commonwealth, state and land owners themselves. There are a number of action plans

around dogs, and we are looking for future plans for deer, pigs and other pests. This is a very clear area of focus and shared responsibility. I think Mr Tongue said that we'll add up all the money and give you an indication of how much is being spent.

**Senator STERLE:** That's good. Thanks. Chair, what I'll do is give the opportunity, if any of senators want to ask questions in this area before I go to the rest of outcome 4. Thanks for that, Mr Tongue.

**CHAIR:** I have a couple of questions on the management of feral pigs, particularly in regard to the Wet Tropics Management Authority, who, over the last 12 years, have been doing an extraordinary job of controlling feral pigs, particularly to stop their impact on cassowaries and turtles and, of course, on sediment run-off onto the Great Barrier Reef. Pigs are the primary cause of that sediment disturbance in national parks. They have been using a range of methods. I want to ask you about this new funding. Is this program, the \$29.1 million, something that they can apply for, or is this something that would go through somebody else? I don't know.

**Ms Laduzko:** I'm sorry. Senator, could you just clarify who you were talking about?

**CHAIR:** The Wet Tropics Management Authority.

**Mr Metcalfe:** Aren't they from Townsville?

**CHAIR:** Up north—Ingham and Tully.

**Mr Metcalfe:** I have met with them.

**CHAIR:** They're doing a range of things—aerial shooting and baiting.

**Mr Metcalfe:** Just while we're checking whether we have that precise information right now, we also work very closely with the Centre for Invasive Species Solutions, who I'm sure you know about—

**CHAIR:** Yes.

**Mr Metcalfe:** and the Invasive Species Council, who provide many practical areas of advice and programs, including for landowners and others as to what to do themselves in these areas. I'll just check whether we have that detail here.

**Ms Laduzko:** One of the issues is just that some of the funding will go to NRM groups and the other will go to Indigenous ranger groups. That doesn't mean that they can't be in partnerships with other authorities. We often find some of our applications for grant programs are partnerships between parties with similar interests. There's nothing there that says directly that they would be a recipient of the funding, but they could be.

**CHAIR:** These are the lead proponents in this region. They have been doing feral pig management the longest. They have demonstrated it cost producers in that region hundreds of millions of dollars when they weren't doing the programs. I will follow up with you specifically on that.

**Ms Laduzko:** We'll take that on notice.

**CHAIR:** And then there's some follow-up, which I think might have to go to APVMA, on the use of 1080, fruit baits and boxes. That will be more specifically there.

I want to for a second talk about them. They have done papers on this. A lot of it is volunteer groups. They drive out and move baits and materials themselves. It's a terrific organisation.

**Mr Metcalfe:** I have some knowledge of them. They and others like them absolutely should be commended for the commitment to the work that they do. This is really hard. Since 1788 Australia has had invasive species arriving on our shores. We have been talking about a very small part of the additional biosecurity funding that is coming through. So much of our focus is also on keeping new pests out. That's another area of course we can talk about.

**CHAIR:** Yes. As Senator Sterle was touching on, we have been trying to manage some of these invasive species for a long time. Of course, the community are torn because they understand the damage to flora, fauna and the environment but by the same token they're great fun on weekends. It's very difficult to get people to commit to an eradication program or a management program.

**Mr Metcalfe:** Yes. But that work, together with the work of Landcare and other community based organisations, is a critical part. We obviously commend their work and support it in many ways. I was trying to point out before that the particular funding that is focused on this initiative is part of a \$400 million series of initiatives around biosecurity. I mentioned in my opening statement the development of a new Commonwealth strategy to really guide our actions over the next decade. The Commonwealth responsibility is so much about trying to keep new things out and to lead an overall system involving the states and territories, industry, community groups and individuals, because we can all contribute to biosecurity outcomes in the future.

**CHAIR:** Marvellous.



**Mr Tongue:** Chair, can I just go to Senator Sterle's earlier question about overall investment?

**Mr Metcalfe:** Do we want to wait for Senator Sterle to return?

**CHAIR:** We might wait until he's back so that he can hear the answer.

**Mr Tongue:** Alright. I'll wait till he's back.

**Senator FARUQI:** I have some quick questions about the Horse Traceability Register and then I'll move on to live exports. In responses to questions on notice that I placed at the last estimates hearings the department advised that the minister had offered Victoria \$50,000 to support the work of the National Horse Traceability Working Group. Was that contribution accepted by the Victorian government to support the group's activities and has that money gone to them?

**Ms Laduzko:** Yes, the offer was made and accepted by the Victorian government and we're just discussing at officials levels how we disburse and provide that cash.

**Senator FARUQI:** Is the department aware of contributions made by other states or organisations to support the work of the working group?

**Ms Laduzko:** I'm not aware of that. I don't know that there hasn't been; I just can't confirm that there has been.

**Senator FARUQI:** Okay, could you take that on notice. If there has been, let us know.

**Ms Laduzko:** Certainly.

**Senator FARUQI:** . How many times has the working group met since its establishment?

**Ms Laduzko:** The working group has met four times—in October 2020, and then in February, April and May this year.

**Senator FARUQI:** What progress has been made? I'm conscious that it has been 18 months since the Senate committee advised that a National Horse Traceability Register should be established. If you could update us on the progress made, that would be great.

**Ms Laduzko:** To the extent I can, I will. Obviously Victoria is leading this arrangement. We're there to participate and be part of the conversation. We're still in an exploratory process about defining exactly what it is that people want from a horse traceability system. There's a difference between tracing the animal and—some of the issues around horses go to the individual characteristics of the horse. There are behavioural issues, and people have different objectives. We've been working through some consultation with other parties to try and get our head around what precisely is the motivator, and what system could be put up as a potential solution that would deal with that. For example, in terms of biosecurity and disease tracing through horses, which is one element of tracing, the foundational basis of the state and territory property identification codes is a good way to go. But then there's a question about how you most accurately record information about the horse itself, which has different overtones. There is probably not as much progress you would like, but it is a big issue and people came to the table with quite different perspectives about what they were looking for from the solution. But you can tell from the more recent meeting time frame that there is a bit of momentum to progress this. I'm happy to take on notice—

**Senator FARUQI:** Is there a time line in mind at the moment?

**Ms Laduzko:** I can't definitively say. But I'm happy to take specific questions on notice and see what we can do.

**Senator FARUQI:** Thank you very much. I now have some questions on live exports. I want to start with some questions on the reopening of the live sheep trade with Saudi Arabia, as announced by the minister last month. We know that the trade to Saudi Arabia in the past was plagued with a few disasters, including the rejection of the *Cormo Express* in 2003 which led to the deaths of about 6,000 Australian sheep on board. Is there an MOU governing the trade as it reopens?

**Dr McEwen:** Yes, there is. One of the aspects of the MOU is that it requires the unloading of animals no matter what the health status is. That has obviously been put in place to try and avoid a situation like the *Cormo Express*.

**Senator FARUQI:** And does the MOU contain any provisions relating to ESCAS?

**Dr McEwen:** I'm not sure, I'd have to take that on notice. What I can say about ESCAS, though, is that all normal ESCAS provisions would apply to any slaughter animals going to Saudi Arabia.

**Senator FARUQI:** You'd know that that was previously an issue and Saudi Arabia had rejected ESCAS?

**Dr McEwen:** That's correct. But we would not allow animals to go to Saudi Arabia for slaughter if they were not under an ESCAS provision.

**Senator FARUQI:** So are they under an ESCAS provision at the moment? You said you'd take that on notice.

**Dr McEwen:** No. There have been no exports as yet. Before they would be allowed to export, they would need to have an approved supply chain under ESCAS.

**Senator FARUQI:** And that's not part of the MOU at the moment?

**Dr McEwen:** I'm not sure how it's covered in the MOU, but it would be our requirement.

**Senator FARUQI:** Can you check that?

**Dr McEwen:** Yes, we can check that.

**Senator FARUQI:** Is it possible to get a copy of the MOU?

**Dr McEwen:** I'm not sure what the protocol is.

**Senator FARUQI:** Can the committee get a copy of the MOU?

**Mr Metcalfe:** Can we just take that on notice? With any such document we need to check from a diplomatic perspective that it is able to be made available. If we can, we will.

**Senator FARUQI:** Sure. Are the facilities to which Australian sheep will be sent in Saudi Arabia owned by the Saudi government?

**Dr McEwen:** At the moment, I don't know because we haven't had anybody have an approved arrangement in place to allow export to Saudi Arabia, so it's all prospective at the moment. We would need to wait until that was in place and we understood who was intending to export et cetera to be able to answer that question.

**Senator FARUQI:** Just to confirm, you said that ESCAS would have to make it a condition.

**Dr McEwen:** That's right. All slaughter and feeder livestock going anywhere in the world are required to be subject to ESCAS.

**Senator FARUQI:** But it wasn't the case before.

**Dr McEwen:** Which was one of the reasons exports stopped.

**Senator FARUQI:** I have a couple of questions on live exports and the global assurance program. According to the budget papers, the Livestock Global Assurance Program is not been funded by the department over the next four years. From what I understand, there was a \$1.4 million allocation this yet, but then nothing in the forwards. Can you shed some light on that?

**Dr McEwen:** The original decision of government provided around \$8 million for the program. I don't have the full figures straight to hand. That was over a four year period. The idea was always that LGAP would move to a self-sustaining model. We have a final milestone payment on the 31 May. After that the expectation is that, over time, AniMark, the body that is implementing LGAP, will become self-sustaining.

**Senator FARUQI:** So it's like industry is funding the program?

**Dr McEwen:** They would be funding themselves through fees and charges.

**Senator FARUQI:** Does this have any impact on the oversight of the program by the department?

**Dr McEwen:** The department would retain overall regulatory control still of any ESCAS program. The way LGAP is structured, they will be able to provide better trained auditors, so, rather than, at the moment, an exporter choosing the auditor, the auditor will be selected by AniMark, who would then go and do an audit, according to the LGAP conformance standards. The audits would still need to reach ESCAS level standards. The way this approach to third-party provider assurance would be that anybody who wanted to provide such a third party system would be able to apply, under the Export Control (Animals) Rules 2021 for an approved arrangement. We would then audit them under their approved arrangements, but we would still have the ability to request information from them at any time and look at the orders that they have undertaken of any facility within the export supply chain.

**Senator FARUQI:** When was the last time the department sent an independent observer on a live export ship?

**Dr McEwen:** It was the *Al Kuwait* last year.

**Senator FARUQI:** Which was in June?

**Dr McEwen:** Yes.

**Senator FARUQI:** So it has been a year now. When does the department expect that the program will start up again?

**Dr McEwen:** We would expect the program to resume when international travel for Australia's resumes.

**Senator FARUQI:** So you don't know?

**Dr McEwen:** We don't know.

**Senator FARUQI:** Thank you.

**CHAIR:** Senator Brockman?

**Senator BROCKMAN:** Mr Metcalfe, have you or your staff looked at the report into the MV *Al Kuwait* journey in the summer shutdown, the summer exclusion period last year?

**Mr Metcalfe:** The report from the independent observer?

**Senator BROCKMAN:** There are two reports, I understand: one from the independent observer and one from the company that undertook the journey.

**Mr Metcalfe:** I'll ask Dr McEwen to assist.

**Dr McEwen:** Yes, we have looked at those in quite a lot of detail.

**Senator BROCKMAN:** Can you give me some feedback? What's your view on the finding or the outcome of that vessel?

**Dr McEwen:** I'm not sure that my view is relevant, but the findings of the voyage were that under those conditions, where it was heavily destocked and also carrying a very specific class of sheep rather than the full range of sheep you would see on a voyage, the sheep performed quite well. There was a 24-hour period where they were subject to some level of heat stress, but overall the voyage was, in animal welfare terms, reasonably successful.

**Senator BROCKMAN:** Reasonably successful? It actually had the lowest mortality rate of any journey to the Middle East ever, didn't it?

**Dr McEwen:** Yes, because of the conditions that have been placed on it in terms of destocking et cetera.

**Senator BROCKMAN:** Absolutely. Obviously it wasn't business-as-usual transport and there were significant restrictions put on the loading of the vessel, but my memory of the data was that it was 0.08 per cent mortality, and nobody had ever achieved a 0.1 mortality rate before.

**Dr McEwen:** Yes, it was the lowest mortality rate we had had on a shipment.

**Senator BROCKMAN:** I guess the question I want to ask you is: how is that feeding in to the department's view on the summer shutdown period? Have you taken any learnings out of that? Is it feeding in to a discussion with the industry on how that summer shutdown period should be examined going forward?

**Dr McEwen:** What we undertook when we implemented the prohibition period was to undertake a review after the second year of that shutdown. That information will be taken into account when we do that review following the second year of the shutdown.

**Senator BROCKMAN:** When's that review going to happen?

**Dr McEwen:** It would be after September this year.

**Senator BROCKMAN:** Do you have a time frame on when you would like to have that review concluded and a decision for industry to give them some certainty?

**Dr McEwen:** They have some certainty now.

**Senator BROCKMAN:** No, they have some certainty for the upcoming summer period; they don't have certainty going forward. Obviously if you're going to have a review you're not going to have a review saying 'business as usual', otherwise what's the point of having a review? That may be the outcome.

**Dr McEwen:** At the moment we haven't scheduled the time frames for a review into it, but we will be looking at it sometime towards the end of this year.

**Senator BROCKMAN:** What would be the department's view on another application for an exemption? Is it just on a case-by-case basis or is the information from the MV *Al Kuwait's* journey last year being used to inform your decision-making?

**Dr McEwen:** If there were an application for an exemption, the first hurdle it would need to meet is that it was some level of extraordinary circumstance. It's not about business-as-usual decision-making. Obviously we would take into account all available information. What had happened on the voyage this year, once they'd met that hurdle of an extraordinary circumstance, would be taken into account in a standard, regulatory decision-making process.

**Senator BROCKMAN:** Can you talk to me about your engagement with industry since that voyage took place? There was a feeling, perhaps, going into the previous period that the engagement with industry was somewhat lacking. Do you feel that engagement with the industry has been positive in the last nine months?

**Mr Metcalfe:** One of the things I'm really pleased with is that we are seeking to engage with all industries in a much more profound way than we have or may have in the past. It's not a reflection on what may have happened in the past. For us as a major regulator across many different industries, understanding those industries and understanding their issues is something that I stress with all of my officers. Mr Hazlehurst has led a whole series of engagements with the meat industry generally, both the boxed beef and meat processing industries, but also with the live export industries. It's something we really do regard as significant. Having made that general comment, I'll let my colleagues talk in more detail particularly about the live sheep export industry.

**Senator BROCKMAN:** Mr Hazlehurst, tell me all about it.

**Mr Hazlehurst:** You may be aware that, in the second half of last year, Mr Littleproud asked us to convene with particularly the live export sector a series of working groups, effectively, or a roundtable which met pretty intensively through about eight weeks—very intensively every week—and worked up a reform agenda for streamlining and efficiency of the way in which we approach regulation. But also looking at the issues to do with the culture of regulation as well. That has led to a work program that we are now working through with the industry. Particularly on that working group we have the chairs and CEOs of LiveCorp and ALEC. We're working through implementing that now. Naturally enough, we're still the regulator, so we need to have an approach that is engaging, constructive and collaborative at one level, but we still need to make regulatory decisions and have a framework which upholds animal welfare standards in particular to ensure the sustainability of the industry. Overall, we've got very significant and deep engagement now. Those working group meetings are continuing once a month through the first few months of this year, and now every two months going forward.

**Senator BROCKMAN:** Can you give me an idea, perhaps without naming specific companies, of at what level you're working? Is it just through the peak organisations? Is it individual exporters?

**Mr Hazlehurst:** It's a mixture. Those working groups themselves are with the industry bodies. In terms of the actual engagement around the specific projects of work, they are all incurring with direct engagement with a cross-section of exporters. Oftentimes we will choose some exporters to engage with, but we'll also get feedback from the industry bodies about getting a good cross-section of big and small concentration in different livestock and also make sure we've got a good representation of destinations.

**Mr Metcalfe:** I think it's fair to say we're having more roundtables than King Arthur ever had!

**Dr McEwen:** One piece of work that we've done specifically with both sheep and cattle exporters recently is around rejection criteria for animals, where we brought in people from industry to sit and work with us to ensure that there was consistency, because this is one of the complaints that we'd had from industry. We listened, we heard that and we brought people in, from Western Australia on sheep and from other parts of the country on cattle, to spend a week essentially working through some of those issues.

**Senator BROCKMAN:** Before you call a halt, Chair, because I suspect I can put the rest of mine on notice, I want to give the department a shout-out on a slightly different area. I've been working with some exporters from Western Australia through this COVID period. Both the Department of Agriculture, Water and the Environment and DFAT have just been extraordinary in supporting exporters to keep those supply chains open. I want to thank the department for their work in that area.

**Mr Metcalfe:** Thanks very much.

#### **Proceedings suspended from 16:19 to 16:36**

**CHAIR:** Welcome back. Senator Faruqi has two questions.

**Senator FARUQI:** I just want to follow up on the independent observers. I'm finding it a bit baffling to figure out a connection between opening up of international travel and putting an independent observer on a live export ship. There was an observer in June last year at the height of the pandemic. The ships are still going. There are people going on the ships. Maritime trade is continuing. So what is the connection between the opening up of international travel and putting an independent observer on a live export ship?

**Dr McEwen:** When the pandemic commenced, we considered that independent observers—unlike, for example, stock people—were not essential staff on a ship; therefore, we paused it while there were issues. We had to make very special arrangements last year for our independent observer to be able to fly back into Australia. There were also departmental staff, and we were conscious of (a) the risk to them and (b) the issues around cost

recovery, because their time of having to be in quarantine for two weeks would then need to be paid for by someone, which would make it very expensive for what was really a non-essential staff member.

**Senator FARUQI:** So animal welfare is not essential?

**Dr McEwen:** Independent observers are observers. They do not, in and of themselves, ensure the welfare of animals on a ship. They are there in more of an observational audit capacity.

**Senator FARUQI:** But they report back on things that others can't, because they are independent.

**Dr McEwen:** That's correct; however, we've all had to make changes around things for COVID, and this was one where we felt our responsibility for our departmental staff, from a WHS point of view, about going on those ships as well. The costs involved and so forth for what we considered more an audit-type role rather than an essential maintenance of animal welfare—it was appropriate to pause.

**Senator FARUQI:** I'm sorry, I find it very disturbing, when the public is so up in arms about the cruelty on these ships and independent observers were one way of the public knowing what was going on, that this is not considered an essential service because of some cost. I think that's very disturbing. But we did do it in June.

**CHAIR:** Excuse me, Senator Faruqi. I don't think it was about cost; I think it was COVID and the movement of people.

**Dr McEwen:** It was range of—

**Senator FARUQI:** I think it was made clear that cost was a big part of it.

**Dr McEwen:** It was one of the aspects. From our point of view, it was more about the safety of individuals and, in terms of unnecessary risk and logistics and so forth, the difficulty of getting people home.

**Mr Metcalfe:** As the secretary, I have particular legal responsibilities for the work health and safety of my staff and, indeed, I and my officers are subject to criminal penalties if we breach occupational health and safety law. We went to extraordinary lengths to provide for the safety of our officer who travelled on the *Al Kuwait*. We had to invoke significant diplomatic efforts to ensure that that officer could transit Kuwait, get to the airport and return to Australia, and the officer was then faced with two weeks of quarantine in Australia. We have assessed that that's simply not a viable way to operate while we are not in the world of normal international travel and, as Dr McEwen has indicated, there are checks and balances around animal welfare within the system. Certainly, the independent observer is a very important and significant part of that, but it's not the only part of that. So it genuinely is a balancing act. If we had the choice, of course we would have independent observers on those ships, but we also have to balance the safety of our staff and the convenience to the organisation of having staff who are effectively unavailable to us for weeks on end.

**Senator FARUQI:** Who paid all the costs for the *Al Kuwait* and how was the safety of staff met then?

**Mr Metcalfe:** Those are matters for the exporter and the shipping company and others, in terms of—

**Senator FARUQI:** I'm talking about the independent observer.

**Mr Metcalfe:** In terms of the cost of the independent observer, that's subject to our cost recovery arrangements, and that, I think, is one of the reasons that the department is, of course, under enormous scrutiny by industry as to where we incur costs that are then paid for by the exporter. That's certainly not the primary consideration. The primary consideration is the health and safety of my staff—Australian public servants—who undertake this activity.

**Senator FARUQI:** But those conditions—the safety of the independent observer—were met for the *Al Kuwait*?

**Mr Metcalfe:** With an extraordinary amount of work to make sure it was done safely, and we all breathed a great sigh of relief when our officer returned safely to Australia.

**Senator FARUQI:** There's no plan at the moment to look at safety conditions for observers?

**Mr Metcalfe:** We are continually reviewing the situation. Now that vaccinations are more widely available, that is a significant factor, as well as the ability for people to access commercial return flights to Australia in a reasonable way. These matters are continually under consideration, and I accept the point you make that independent observers are an important part of an overall system of checks and balances.

**CHAIR:** Thanks, Senator Faruqi. Senator McMahan, you had questions and had to leave.

**Senator McMAHON:** We're doing live export. Speaking at the Alice Springs conference recently, the president of the NTCA, Chris Nott, said that the impact of passing on the cost recovery for live exports to cattle producers was going to add approximately \$100 to the cost per head of cattle exported. Is that correct?

**Mr Metcalfe:** That's not correct, and we're very happy to explain what the cost would be. Minister Littleproud attended a significant meeting in Charters Towers in the last week or so and, I think, was able to dispel some of the misinformation that exists, and we're very happy to provide information to the committee about the correct figures.

**Senator McMAHON:** In Charters Towers last week, Minister Littleproud said that the government forecast was that the regulatory costs would be \$4 a head for an animal going to Indonesia and \$5 for one going to Vietnam. Minister Littleproud also told beef producers at that forum that that was as high as the cost would be. Can you explain how this figure was calculated?

**Mr Metcalfe:** Yes.

**CHAIR:** Can I clarify, because I was there, that he said \$4 to \$5 now; if the department were to do nothing going forward, it would be \$7 and \$8.

**Senator McMAHON:** Thank you.

**Mr Metcalfe:** We're very happy to provide an explanation. I should note that it's in the context of the fact that there have been many years. This is all in the framework of the Commonwealth government's overall cost recovery arrangements. We, as the department of agriculture, are subject to rules set out through the Department of Finance for work that we do where, effectively, that needs to be passed back to the body, the industry company, that actually incurs that cost. That's a bigger issue than us. There have been many years where certain true costs of our activities have not been passed back to industry and, indeed, where effectively the Australian taxpayer was subsidising that regulatory activity, contrary to the rules set out by the Department of Finance. In that context, I'll now ask David Hazlehurst to provide more detail about the specifics for live exports.

**Mr Hazlehurst:** Thank you, Secretary. Senator, thank you for your question. I can confirm that Minister Littleproud made those comment and they're based on advice from the department. What we've done is a range of analyses of typical scenarios—a typical shipment of cattle to, for example, Vietnam, China or Indonesia. We've done the same for sheep and we've done some examples for air based consignments as well. In relation to sheep going to the Middle East by sea, the typical example sees the costs going from about 42c per sheep up to \$1.07 in 2021-22. By the end of the transition period, where we get back to full cost recovery, in 2023-24, it will be \$1.75. And that will be reflecting an increase of around 0.25 per cent of the value of a consignment, going up to about 1.13 per cent of the value of a consignment.

For cattle going to Indonesia by sea, as the minister confirmed, it is currently about \$1.85 and we estimate it will go up to \$4.39 in 2021-22. If nothing else changes, we estimate that it will go up to \$7.12 by 2023-24. What the minister also pointed out, though, was that that's if nothing else happens. As we discussed with the committee before the afternoon tea break, we're working on an extensive program of work with industry to look at becoming more efficient, more risk based in our practice, and bringing the costs down. So it's our expectation that we won't actually reach those numbers. But in fairness, as things stand, those are the numbers that would, if nothing else happens, be projected by the end of that period of returning to full cost recovery. Currently we recover just under 30 per cent of the costs. Next year, we would move to 64 per cent; in the following year, we would move to 85 per cent; and in 2023-24 we would move to 100 per cent.

**Senator McMAHON:** So you're saying that, with full cost recovery, there could be changes but those changes would be to actually bring the costs down, not increase them?

**Mr Hazlehurst:** Correct.

**Mr Metcalfe:** To what they otherwise would be if we weren't able to bring them down. The minister—he has been very clear about this—wants the department to work very constructively with the industry, and that's what we are doing. We're trying to find ways of co-designing the way that we can be efficient, and therefore less costly, in our regulatory oversight while at the same time recognising that the industry has a significant 'social licence' or 'community views and attitudes' issue and that good and effective regulation is important for the industry to maintain broad community support. So that's exactly where we're at. I want to absolutely ensure, Senator, that you understand that we are very deeply committed to working constructively in this space, but, at the same time, we are subject to the overall requirements from the government about moving towards full cost recovery. So that's the sort of framework we're in.

**Senator McMAHON:** I understand that. But you can understand that there'll be a lot of consternation when industry's quoting \$100 a head and the minister's quoting \$7 a head.

**Mr Metcalfe:** Yes.

**Senator McMAHON:** So you're saying that—

**Mr Metcalfe:** Unfortunately, there has been misinformation. We have worked to explain what is going on as best we can. Ultimately, I'm not responsible for what other people may say or what they may add up and how they may divide it—all that sort of thing—but we're very clear, and we're very clear in the advice we provided to the minister on this particular issue. We'll continue to work constructively with industry and to get the right information out there to producers and exporters so they know the true story and not the wrong story. Some of the misinformation, I think, is because people have added in costs for other activities that we have, rounded them up, divided them by a number and that sort of thing. But ultimately the numbers that we're talking about here today are ones we're very confident about.

**Senator McMAHON:** So can you guarantee to me here today that under full-cost recovery, based on everything that you've said, maximum costs to producers to any exporter going to South-East Asia from northern Australia will be \$7.18—I think that's what you said?

**Mr Hazlehurst:** South-East Asia's quite a broad church.

**Senator McMAHON:** Let's narrow it down to Indonesia and Vietnam then.

**Mr Hazlehurst:** For Indonesia and Vietnam, it's broadly similar. The figure for Indonesia for 2023-24 would be \$7.12 under the scenario that we'd modelled. So it's not looking at the top or the bottom. We can provide on notice a bit more detail about the specific assumptions of the number of consignments that that particular exporter would have, the size of the consignments and the value of the cattle on board. Clearly, also, it depends a bit on whether they're breeders or slaughter animals—different prices et cetera. But to Indonesia by sea it's \$7.12 by the end of that period, and to Vietnam by sea it's \$8.06 by the end of that period.

**Senator McMAHON:** So if I'm an exporter in the Northern Territory and I send 30,000 head per annum to Indonesia, I will not be charged any more than \$7.12 per head, guaranteed—is that correct?

**Mr Hazlehurst:** It's probably best that we provide on notice the assumptions that underpin that. A representative example that we've come up with to try and look at the base case for what would apply is that. What we've also said is that we don't expect it to get to that number because we will be working on efficiencies between now and then to draw that number back.

**Senator McMAHON:** I know you don't expect to get to that number, but can you give me a guarantee that that producer will not be charged any more than \$7.12?

**Mr Metcalfe:** I think what we're trying to say is that this is based upon the modelling of real-life situations that we've undertaken. We're very confident that the figures are in that zone. But I think it's inappropriate for us to give an absolute guarantee, because it depends on different variables, as Mr Hazlehurst has explained. What we are saying is that we are very confident about these issues based upon the modelling. But, given the variables that could occur, as explained by Mr Hazlehurst, no-one would want to say, 'It's going to down to this particular cent.' We are talking about figures that in that range; we're certainly not talking about \$100. I make the point again that the department's committed to working with the industry to reduce our costs of regulation while at the same time ensuring that we do maintain proper regulatory oversight of the industry for the reasons that have been outlined from the Moss report and other reports and also knowing that at the moment that regulatory oversight is, and has been for some years, subsidised by other taxes paid by the Australian public.

**Senator McMAHON:** So, given that there are a range of variables and assumptions, it is possible that the costs could be higher than the assurances that the minister gave the forum.

**Mr Metcalfe:** I don't think we could add anything further, Senator. I think we have been as clear as we possibly can, and that we are doing everything to work to the sorts of figures that we have described and indeed we are working to in fact reduce what the full cost would otherwise be. It's possible to speculate and hypothesize about all sorts of things, but I think we have been very clear this afternoon about this.

**Senator McMAHON:** Mr Metcalfe, I'll respectfully disagree. I think you are being as clear as mud. Industry needs some assurances. Could those costs be higher than what the minister quoted in North Queensland? It's a simple yes or no answer.

**Mr Metcalfe:** I'm very confident about what the minister said in North Queensland.

**Senator McMAHON:** Okay; so you're not going to answer that question.

**Mr Metcalfe:** Senator, with respect, it would be quite inappropriate for people to go and speculate. We have been very clear here about the quantum of the costs being in the \$5 to \$7 or \$8 range—nowhere near the \$100 that some people have been talking about. That's mischievous or ill-informed. I won't ascribe motive to people; they do doubt are coming up with the best answers they could. We have been very clear. I'm not prepared to give an absolute guarantee because the world is a place where things change all the time. But I think we have been very

clear about the fact that we are working to reduce the costs and we are working to do that in a constructive and transparent way, and that the minister was very clear on what he said in Charters Towers.

**Senator McMAHON:** I think the minister was very clear but I'm not sure he was entirely correctly informed.

**Mr Metcalfe:** I take exception to that. The department takes great pride in the quality of work that we provide to our ministers, and I'd like to place on the record that I reject any assertion that we did not provide the correct and proper advice to the minister.

**Senator McMAHON:** Will you be releasing all of your calculations, assumptions and all of the detail that you have provided this advice on publicly?

**Mr Metcalfe:** I think that Mr Hazlehurst has indicated that we are happy to table our workings and assumptions. So we can certainly do that with the committee. I'm not sure whether we are planning to do that more generally in what we have already done.

**Senator McKENZIE:** Are there some documents in that folder that might help us?

**Mr Hazlehurst:** No, but we can provide that on notice. We've just got the headline numbers. I can read them out.

**Senator McMAHON:** So you will be tabling—

**Mr Hazlehurst:** We can provide those.

**Mr Metcalfe:** Senator, I'm not being disrespectful to you but I just want to make it very clear, firstly that I take great pride in the work of the department and, secondly, that we do have a very strong commitment to be as transparent and open with the industry as we possibly can, and we will continue to find every way that we can to assist. We are more than happy, through you and others, to provide the information as to how we are coming up with these sorts of figures. But I just want to reassure the industry that the department, as both the policy agency and the regulatory agency, is seeking to work to ensure that it is able to maintain a strong and profitable existence, while at the same time ensuring that our regulatory oversight is appropriate.

**Senator McMAHON:** Mr Metcalfe, I can assure you that the industry will take no comfort out of what you've said today, when you cannot even give a simple yes or no answer to the question of could those costs be higher than \$7.12 per head. They will take no comfort out of that whatsoever.

**Mr Metcalfe:** I'm disappointed if people reach that conclusion. I think I've said more than I need to.

**CHAIR:** Senator McMahan, is that the end of your run of questions?

**Senator McMAHON:** Yes.

**CHAIR:** Senator Roberts?

**Senator ROBERTS:** Thank you for being here today. My questions are about fire ants. Do we need someone to come to the table?

**Mr Metcalfe:** We'll get out fire ant experts to come forward.

**Senator ROBERTS:** How much is it costing Australia in funding the fight against spread and ultimate eradication of fire ants?

**Mr Tongue:** It's approximately \$450 million. I'll defer to my colleague Ms Laduzko.

**Mr Metcalfe:** These are red imported fire ants?

**Mr Tongue:** Yes.

**Senator ROBERTS:** Do we have domestic fire ants?

**Mr Metcalfe:** No. But we've also got the yellow crazy ants.

**Mr Tongue:** We've got a lot of ants.

**Mr Metcalfe:** The red imported fire ants are a particular problem in the Brisbane Valley.

**Senator ROBERTS:** So \$400 million over what period?

**Ms Laduzko:** We have a 10-year funding program, partly agreed across all states and territories and the Commonwealth. The budgeted allocated for that current 10-year program, about which we're nearly halfway through, is \$414 million.

**Senator ROBERTS:** So about \$41 million a year?

**Ms Laduzko:** Yes, roughly speaking.

**Senator ROBERTS:** How successful is the management and eradication program?



**Ms Laduzko:** We are four years into a sustained effort at eradicating an invasive ant that has got quite a wide spread. I think I might have given this evidence last time to the committee, but we have been learning a lot more about the ant. It's a very large-scale eradication. So we've been making progress. But, in the meantime, the program, which is actually led by the Queensland government, has been trialling different ways of killing the ant through different bait combinations and technologies. I would have to say that we've seen some positive signs and there are some learnings around eradication, but the actual size of the task and whether it's sufficiently funded are matters for current discussion.

**Senator ROBERTS:** So you haven't got any concrete measures other than that you're just making progress? I'm not trying to be cheeky, but I would just like to have something quantified. How do you assess progress—because that's an awful lot of money for what you are implying?

**Ms Laduzko:** Assessing progress is an interesting question. Partly, we go through cycles of eradication and surveillance. So we eradicate to a program and then we go back and do surveillance to see how effective those measures have been. If you want specific information, I'd probably prefer to take it on notice, because that would be what I'd source from the program lead in the Queensland government to make sure I'm accurate.

**Senator ROBERTS:** Yes. thank you.

**Mr Tongue:** The program is run by an independent committee chaired by Wendy Craik.

**Senator ROBERTS:** Who is?

**Mr Tongue:** Who is a very distinguished authority in natural resource management matters.

**Senator ROBERTS:** Queensland or Australia?

**Mr Tongue:** Australia. As Ms Laduzko said, it is jointly funded. There is quite a significant amount of detail that we can provide you on notice about the rollout of the program, how they're measuring effectiveness et cetera. It is just a very big eradication program; that's all.

**Senator ROBERTS:** That would be useful. I attended a meeting at Gatton, in the heart of the valley, and the residents there were pretty upset. They don't trust what the Queensland government is doing. So, yes, I'd like to learn more about it; thank you.

**Mr Tongue:** Certainly.

**Senator ROBERTS:** How effective are similar overseas eradication programs?

**Ms Laduzko:** I think it's true to say that nowhere has anyone successfully eradicated red imported fire ant. In fact, Australia has had the only successful eradication outcomes, and they were on smaller incursions that we were able to contain to port environments. So we have successfully eradicated small outbreaks. But it's not my understanding that any other country has ever managed to eradicate it.

**Senator ROBERTS:** So is that ominous for the valley?

**Ms Laduzko:** Well, I think it gives pause for thought around the size of the eradication and their funding commitment and what our long-term strategy is. I think there are some stats that suggest that, if we had done nothing from when we first saw it, RIFA would have largely covered the entirety of Australia by now. We have managed to keep it to a defined region.

**Senator ROBERTS:** So, in that sense, it's effective.

**Ms Laduzko:** In that sense, it's effective.

**Senator ROBERTS:** Or it may have delayed the overrun of Australia. We don't really know yet?

**Ms Laduzko:** That's probably a fair call.

**Mr Tongue:** Red imported fire ant is viable in 99 per cent of the Australian continent.

**Senator ROBERTS:** So what's actually being done on this in Australia? Are you just containing it or are you trying to eradicate? It sounds like you're trying to eradicate.

**Ms Laduzko:** It is an eradication program. It has been going on under various guises for a number of years now. This is a 10-year program. Prior to that, I think, we'd done a seven-year program. So it's an eradication program.

**Senator ROBERTS:** How far are we into the 10 years?

**Ms Laduzko:** We would be between year 4 and year 5.

**Senator ROBERTS:** So we're halfway through—after a seven-year program?

**Ms Laduzko:** A little less than halfway.

**Senator ROBERTS:** What's being done in terms of the actual on the ground—what's happening? I know that the Queensland government has the responsibility.

**Ms Laduzko:** It's quite a complex program and it's very large. The nuts-and-bolts part of it is we have agreed a program for how we approach the eradication effort. So we have zoned certain areas and they've embedded a sentiment of moving from west to east with rolling eradication efforts and suppressing in those other areas they haven't got to—so hard eradication, suppression, suppression, rolling forward. But we also have to put a lot of investment in the edge to make sure it doesn't further escape. The west-to-east model goes from rural land through to urban environments, and that changes the nature of how you do eradication and how you engage the community.

**Senator ROBERTS:** And it makes it difficult?

**Ms Laduzko:** It does make it a bit more difficult, yes.

**Senator ROBERTS:** So it's hard to tell where we are. At the moment, we seem to be stabilising, in your opinion?

**Ms Laduzko:** At the moment, you'd have to say we certainly haven't allowed it to become worse and we've managed, I think, some success in the semi-rural areas. The question will be as we get closer to those urban environments.

**Senator ROBERTS:** What else needs to be done? What more needs to be done?

**Ms Laduzko:** That's an open question. The scale of the response is enormous. It often comes down to funding and commitment of participants. Once you're in an urban environment, everyone needs to be willing and engaged.

**Senator ROBERTS:** So are there enough resources to achieve eradication?

**Ms Laduzko:** That is not something I'd like to comment on right now. We're going through a bit of a review. Part of the resource in question goes to what other strategies we can adopt, is the technology moving ahead of us, are the baits becoming more effective—a few things like that. I think that's probably a question perhaps you might like to pose in the next session when we've done a bit of our own efficiency review.

**Mr Tongue:** I should add that it is a science-driven program, so we're drawing on the best possible science we can. We're trying to do something, as you've alluded to, that hasn't been done anywhere else in the world. It is success to contain it at some level because it is a uniquely adapted little ant that really can move quite swiftly if left uncontained. The challenges around the urban areas with baits, poisons, schools, backyards—those sorts of things—are quite difficult. We're also finding in the program that the cycle of wet and dry, particularly in that area of South East Queensland, can frustrate efforts. You lay baits, it rains and all of that work is lost, so you go back again. So finding the kind of rhythm, the drumbeat, that will beat it is something that's just under constant review. It is an enormous eradication program and, as Ms Laduzko says, we're re-looking at it at the moment, and governments will need to make decisions—

**Mr Metcalfe:** Not with a view to stopping it but looking at if we can do it better.

**Mr Tongue:** If we upped the cash burn rate, would we go faster? If we slowed the cash burn rate, would we do better? What is the right modality to get rid of it?

**Senator ROBERTS:** Before asking my next question, which is probably is associated with the next question, I'd make the comment—not having a go at you—that when people use the word 'science' around here, I usually start digging because it's usually an opinion with no science. In Queensland, farming has been devastated by the Queensland Labor government citing science but being nowhere near science, and they're destroying whole communities, whole regions and farms. So I'd just make that point: I'd like to see the science rather than believe it.

**Mr Tongue:** Sure.

**Senator ROBERTS:** On what basis are federal moneys provided to the states to assist in these programs? Because listening to a forum at Gatton, people seemed to be questioning the Queensland state government's motives. Is there a different formula, for example, for stabilising and containing versus eradicating?

**Ms Laduzko:** There are a couple of ways to answer that. In the environment we work in, when we do eradication responses for things that aren't yet established, we have agreed deeds, where states and territories and the Commonwealth, and industry where relevant, have an approach they use to eradication and how they cost-share that. The RIFA eradication program we're talking about started in advance of us having an appropriate deed structure to use, so it's run a little bit differently to other eradication responses. But in essence, for us, we have a partnership agreement with the Queensland government that sets out milestones that need to be met in order for us to provide funding to a schedule.

**Senator ROBERTS:** So there are conditions attached?

**Ms Laduzko:** Yes. But, consistent with many of these what are largely termed 'environmental eradication responses', the Commonwealth is contributing 50 per cent of the cost.

**Senator ROBERTS:** So is this, in any way, an enduring money-spinner for the states?

**Ms Laduzko:** A money-spinner? No, I wouldn't characterise it that way.

**Senator ROBERTS:** Could they manipulate it by taking various strategies, for example, containment versus eradication, just to prolong it? That was a concern of constituents in the Gatton area.

**Ms Laduzko:** Yes and you can see how that comes. It gets to a point where, in all eradication—this applies in small and large ones—you have to make a concluded position about whether eradication remains feasible and cost-effective. At the moment, we are signed up to an eradication program.

**Mr Tongue:** Because of the structure of it, I would argue that all the jurisdictions involved other than Queensland have a huge interest in ensuring that the program is running well because they're all on the hook to fund it. So it would be very difficult for Queensland to manipulate a circumstance with the gaze of all the other jurisdictions upon it, as well as the community, where they were turning this into some sort of money-spinner.

**Senator ROBERTS:** So what's different about Queensland?

**Mr Metcalfe:** That's a very open question.

**Senator ROBERTS:** Apart from the fact that we win State of Origin often.

**Mr Metcalfe:** Well, you're talking to a Queensland here.

**Mr Tongue:** This eradication is different because of scale and it's different because it's outside what we know as the deed structures. We have risk-sharing arrangements between the Commonwealth, the states and territories, and industry. In the agricultural industries, they're known as the plant deed and the animal deed, and they set up arrangements where we share risk. Depending on the nature of the effort that needs to go in to dealing with a response to some pest or disease or weed, the scale of Commonwealth investment changes. Those arrangements are managed by Plant Health Australia and Animal Health Australia. They're bodies that sit outside government and outside industry but they work across to manage those deeds. In this instance, we don't have that arrangement, so we've set up this independent style committee.

**Ms Laduzko:** Just a slight qualification—we do, but that arrangement came into place after we started. We do have a NEBRA agreement.

**Mr Tongue:** This one's slightly unusual and also its scale is vastly different.

**Ms Laduzko:** To correct something, I said \$414 million. It's \$411.4 million. I think I was just truncating numbers.

**Senator ROBERTS:** Thank you, I appreciate the accuracy. You're going to send us some details on how you're assessing progress?

**Ms Laduzko:** Yes, if you would like to put it through on notice, we'll answer that.

**Senator ROBERTS:** In a quantified way?

**Ms Laduzko:** Yes.

**Senator DAVEY:** I just have a very few questions following on from the previous questions about cost recovery. Just some areas that weren't—

**Mr Metcalfe:** We're talking about live export cost recovery?

**Senator DAVEY:** It's cost recovery more generally but specifically live export as well as other exports. When talking about costs recovered through fees and levies on agricultural exports per annum, how much revenue is raised through that?

**Mr Metcalfe:** I might actually need to ask the Chief Finance Officer if she can assist. It is just to make sure you've got the right figure. It is a substantial part of the funding of the department. It's a pretty complex funding arrangement we have. Just to make sure we've got a global figure—

**Mr Hazlehurst:** I can provide a top-level number and then—

**Mr Metcalfe:** Mr Pak Poy can fill in the detail.

**Mr Hazlehurst:** Mr Pak Poy can correct me if I am wrong. But I'm reasonably confident to say, in the financial year that we're in now, the amount of revenue we expect—because obviously we're not quite yet through

the year—is about \$105 million, and the costs are about \$132 million. But I'll allow Mr Pak Poy to get to his relevant page.

**Senator DAVEY:** So we're not quite at full cost recovery?

**Mr Hazlehurst:** We're not close to full cost recovery.

**Mr Metcalfe:** We're well short of full cost recovery.

**Mr Hazlehurst:** That's the issue, and that's not just in relation to live exports; that's across the board. But live exports makes up the biggest portion of the underrecovery.

**Mr Metcalfe:** Senator, if I could, I will just provide a little bit of further context. You'll recall that in the budget in October last year there was a major initiative from the government called Busting Congestion for Agricultural Exporters, and that was a very significant decision by the government for a couple of reasons. We recognise that, as a regulator in relation to exports, we are a significant cost, ultimately, to the industries that we regulate because of cost recovery arrangements. As I said earlier, in reality, cost recovery has not risen at the same time as the actual costs occurred, so there was a significant funding shortfall for the department. The result of that, in a cumulative way, meant that either those regulatory services were not being provided at the standard that they should have been or that those services were being cross-subsidised from other parts of the department, contrary to other decisions of government, and ultimately funded by the Australian taxpayer.

The congestion-busting initiative had a couple of major objectives. One was, in fact, providing resourcing to the department to significantly modify our systems so that we are a lighter touch—that we're easier to access. I think we've given examples in the past that, if you want to get an orange out of Australia, you need to deal with us 20 times and come into our office quite often and get a form and send us a fax and pick up a certificate. I mentioned in my opening statement this morning that we've now started rolling out the first versions of a much more digital platform for dairy, so people can now print their own certificate and attach it and all that sort of thing. That's one key objective.

The other objective, though, was effectively returning to full cost recovery for those export services but, at the same time, driving down the cost of those export services so that full cost recovery would, in fact, be less than if we just did nothing. So it's a dual objective here, and that's one of the many topics that we've had through these numerous round tables with industries right across the board, and, indeed, we've set out this in a lot of detail in the so-called cost recovery impact statements, CRISes, that are now out there with industry, which are exposure drafts of how cost recovery will work in the future, and we can talk more about that.

So I just did want to put on the record that we are committed to driving down costs, and the government has funded us to in fact move from the 1960s—or maybe the eighties—where our systems used to be, to a modern system. We recognise that we are a very significant part in export supply chains because of the assurance, the food quality and the regulatory role that we actually do have. Thank you for allowing me to do that, Senator.

**Mr Hazlehurst:** Senator, rather than having my amateur-hour version of the numbers, it might be good to get Mr Pak Poy to confirm those precisely.

**Senator DAVEY:** While you're at it, Mr Pak Poy, can we break down the costs? Can you break down the total revenue by commodity for each commodity group? Is that information available? Or does the department not allocate them to specific commodities?

**Mr Pak Poy:** We approach our cost recovery, particularly for exports, by commodity, in terms of grouping like commodities in an arrangement, particularly where the services we provide are similar for that arrangement or that commodity. What we do with that is work out what the cost is for the department to provide the regulation that's needed, and then we work out the appropriate places that that should be charged and what those charges should be. I can work through each of the arrangements, if that's what you're asking, and give you an indication of both the cost and what revenue we expect to raise this year.

**Senator DAVEY:** I'm just conscious of time. That is the information I want. I was wondering if you could take it on notice and table it?

**Mr Pak Poy:** Certainly. It's also available publicly. At the moment, we've got the cost recovery implementation statements out for consultation for exports cost recovery on our 'Have your say' page. Each of those implementation statements represents one of those arrangements I was just describing. It includes financial performance and forecasts for this year as well as for out years and also historical financial performance. As Mr Metcalfe was saying earlier, our cost recovery arrangements in some cases have been underrecovering, and that sort of information is also available in those cost recovery implementation statements.

**Senator DAVEY:** Have some commodities been at cost recovery and have others been under? Or is there any cross-subsidisation—for want of a better word—between commodities where one may have over recovered, which then helps balance out across the board?

**Mr Pak Poy:** No. There's no cross-subsidisation between the arrangements. We manage them on a yearly basis, but also on an ongoing basis. You'd see, if you were to go to one of those cost recovery implementation statements I was just talking about, in some of them that there's an accumulated deficit. That's where we've had underrecoveries over a number of years. Each year, it adds to the deficit. Where we have years where there's a surplus in a single arrangement, that would go to a surplus in that arrangement or reduce the deficit, if there is one. We don't mix between the arrangements. The revenue, for the arrangement, goes to expenses for the arrangement.

**Senator DAVEY:** And where you've got a commodity that might accrue a series of years of surplus, is there a mechanism that can lead to a reduction in future cost recovery?

**Mr Pak Poy:** Yes. There are a couple of mechanisms, actually. The department, of its own volition, has the ability in some cases to remit prices, which is where we can reduce the price from the legislated price. And we do do that on occasion. Over the last couple of years, we haven't done that a lot, because most of the arrangements haven't been in that surplus position. But, where an arrangement is in a surplus position and our forecast is indicating another surplus, we will do that. The other mechanism, which is built into the Commonwealth government cost recovery guidelines, is the ongoing review of the CRIS. This year is the first year where we're moving to annually review our CRISs. In the past, it was done on a three- to five-year cycle. One of the reasons we're moving to the annual review cycle is so that we can more quickly adjust our prices, reduce surpluses and deficits, react more quickly and make those changes.

**Senator DAVEY:** How does our cost recovery regime and the charges that we implement compare to that of trade competitors? Are we the only nation that operates a cost recovery system? If not, what sort of charges and percentage of charges do other nations apply?

**Mr Pak Poy:** We aren't the only nation that operates cost recovery arrangements. Our cost recovery arrangements are different from every other's. As you could imagine, every other nation's cost recovery arrangements are different as well. I think what is a feature of our arrangement is, because of the way the Commonwealth guidelines stipulate we should apply cost recovery, we are looking at full cost recovery of our regulatory services, whereas other nations don't appear to recover for the same things that we do. It's not for me to comment on whether that's—

**Senator McKENZIE:** [inaudible] tariff trade barrier, isn't it?

**Mr Metcalfe:** Yes—

**Senator McKENZIE:** It's fine to admit that.

**Mr Metcalfe:** No. Don't take that as an affirmation of your comment.

**Senator McKENZIE:** No, I don't. I know the government policy.

**Mr Metcalfe:** The department, of course, as I said earlier, sits in the overall Commonwealth cost recovery policy, which is owned by the Department of Finance.

**Senator McKENZIE:** It's a whole-of-government approach.

**Mr Metcalfe:** As I indicated earlier, we are now in the consultation phase about the new CRISs. The issues specifically about live animal export charges are contained in that so-called cost recovery impact statement. They are on the department's website; I'm very happy, through the committee, to give you the right place to go, but it's a few clicks and you'll find them. That sets out, in a lot of detail, what we're trying to achieve—the figuring, and how we've come up with particular issues.

We're formally consulting on those, having been through a great deal of work with the industries leading up to the release of those documents. Those are the ones, as Mr Pak Poy says, that will then be valid for the next year. It's consistent with the fact that we are seeking to bring down costs as much as we possibly can through being more efficient while at the same time ensuring the regulatory oversight we provide, which is very important for confidence in the industries—with meat exports, to ensure that there's food safety and that, ultimately, our trading partners will accept our produce, and, in the case of the live export industry, to ensure that there's community confidence in the animal health and welfare outcomes associated with that industry.

**Senator DAVEY:** Thank you; that gives me a good overview, and that pretty much answers my questions. I'll look at those CRISs online as well.

**Mr Metcalfe:** I think we've provided them to the committee.

**Senator DAVEY:** Great. My final question is directly related to live export. My interest was piqued earlier—I'm not sure if this question was answered or even asked—when people were talking about animal health and welfare in the live export industry. What is the 12-month mortality rate for cattle live export over the last 12 months? Have we done that review? Is it up or down from previous years?

**Mr Metcalfe:** I'll just ask Dr McEwen to join us again.

**Dr McEwen:** I believe it is down over the last 12 months. We may not have a 12-month figure, but we do a six-monthly report to parliament. That is also on our website. I'm just going to see if I can find the specific numbers in my briefing.

**Mr Hazlehurst:** While Dr McEwen does that: it's too early to be conclusive about it, but you may be aware that we introduced new standards in November.

**Senator DAVEY:** Yes. That's why I'm asking the question; I want to see if they're working.

**Mr Hazlehurst:** It appears as though the mortality rates are falling, particularly on certain estimations, but I think it's a bit early to be conclusive.

**Dr McEwen:** It is a bit early to be conclusive, because the new ASEL standards were only introduced earlier this year. We have seen, on the initial data we've received from voyages, that they have reduced slightly. I have the notifiable incidence. The cattle overall percentage mortality from January to June 2020 was 0.12 per cent, and from July to December 2020 was 0.10 per cent.

**Senator McKENZIE:** Wow! Hope Senator Faruqi's listening to that!

**Dr McEwen:** The sheep overall percentage mortality from January to June 2020 was 0.24 per cent, and from July to December 2020 was 0.18 per cent.

**Senator DAVEY:** Sheep went under two per cent?

**Dr McEwen:** Yes.

**Senator DAVEY:** Sheep have a naturally higher mortality rate.

**CHAIR:** No—0.2 per cent.

**Senator DAVEY:** Sorry—under 0.2 per cent, yes.

**Mr Hazlehurst:** The first full six months under the new standards won't be until—

**Dr McEwen:** Until July—six months will be coming up now.

**Senator DAVEY:** However, those standards were a long time in the making. There was a process in the making, so a lot of exporters may have been preparing for the new standards prior to them—

**Dr McEwen:** Some of them may have. With sheep, I'll note that the reduced stocking densities for sheep were introduced earlier, because they were introduced in response to the McCarthy review. So they have been in place for some time. But we continue to try and find ways to improve welfare outcomes on voyages on a continuous basis

**Senator DAVEY:** Thank you very much.

**Senator McKENZIE:** I'm just following up on a question on notice that I asked at the last estimates, in March. In 2017-18 the regulatory cost for live animal exports was approximately \$8 million, compared to around \$20 million this financial year. These increases, I note, are attributed to implementing the many Moss review recommendations. Can I understand the direct result of the implementation of the Moss review recommendations and the consequent impact on animal welfare outcomes, and how that's associated with the regulatory cost increase?

**Dr McEwen:** A number of the aspects of the Moss review have been implemented. In particular there was a focus on the fact that—and this was exacerbated by many years of low cost recovery; we were under-recovering for a long time, so there had been a lot of pressure on us to maintain costs at a lower level. Much of the kind of the regulatory infrastructure that you have—things like instructional material, training and capability for staff, improvements—

**Senator McKENZIE:** Policies and procedures.

**Dr McEwen:** policies and procedures and so forth—had, like any kind of infrastructure, been run down because there hadn't been funding to maintain them during those periods. One of the things that Moss particularly noted is that we need to improve a lot of things around our instructional material—how we do our work, how we train people. So that's been one aspect. In our answer to your question on notice, that is particularly picked up in some of the LAE regulation space.

One of the other big recommendations was around speeding up and finalising the ASEL review and moving to more science based, more technically informed standards development and work in that area. While we say the implementation of the animal welfare branch was a recommendation of Moss, part of that is because it enables us to do that work in terms of standards review. The formation of the new ASEL standards then had an implementation piece of work that needed to be done, which was quite significant, because it was the first time that the standards had been updated in 10 years. So there were a number of costs associated with that implementation.

**Senator McKENZIE:** What like? We're talking \$12 million this year. Updating the policies, staff training, investigation training, procedures, effective policies—that's what you've told me this money is going to. So \$12 million in one financial year—that's a lot of policies and a lot of training.

**Dr McEwen:** Yes. There was also the reintroduction—this wasn't actually a Moss recommendation but a decision taken with the support of industry—of the notice of intention decision point becoming a regulatory decision point again; it hadn't been. That's quite a significant workload and requires about 10 additional staff to manage that in that area.

The ASEL review was quite a significant review as well. It took a long time. It then needed to be translated into legislative language for the standards; it's not actually a legislative instrument as such. We needed to develop the suite of policies and procedures around that—stakeholder engagement, working with industry, all those kinds of things.

**Senator McKENZIE:** Gotcha. On notice I would actually like to understand this dollar for dollar. We've been underrecovering for a long period of time. I understand. But it's hard to make a case outside of this room that this isn't a case of overrecovering, because when I read the types of things we're spending \$12 million on this financial year it's on people thinking and doing, writing, understanding, but I don't see roads being built or—you know, you kind of get my point. So that's what I would like on notice. I understand if you can't give that to me—

**Dr McEwen:** So more detail around—

**Senator McKENZIE:** Much more detailed than the three dot points I got given for \$12 million. I really want to understand on industry's behalf where this money is going. What efficiency gains are you proposing, given that this represents a 400 per cent to 500 per cent increase to the live export industry over two or three years, from the eight to the 20?

**Dr McEwen:** One of those challenges will be once we've done a lot of the reform work. We've now done the implementation of ASEL while there is, as a recommendation out of the Moss review, an ongoing annual update process. That's going to be much less onerous, for example, than building the bridge in the first place; painting it and keeping it in place is much more simple. Same with much of our policy and procedure work.

**Senator McKENZIE:** So you envisage that impost going down over time?

**Dr McEwen:** We do.

**Mr Metcalfe:** Having had this period of investment, we are now certainly working towards—and I said this a bit earlier—how we can reduce costs. We're talking about a \$2 billion industry, and I obviously want to ensure that that industry is viable and succeeds and that we have no repeats of major issues.

**Senator McKENZIE:** As we all do.

**Mr Metcalfe:** So we will certainly also seek to work closely with the Inspector-General of Live Animal Exports, because ultimately his satisfaction with the system will be important. But, on notice, we'll certainly give you a better disaggregation of what makes it up.

**Senator McKENZIE:** Thank you.

**Mr Metcalfe:** But we'll also try to provide you with an explanation of what we are doing now that we've built the bridge.

**Senator McKENZIE:** I'm confident that that's what you are doing, but 12 million bucks is a lot of policies.

**Mr Metcalfe:** It's a lot of infrastructure.

**Senator McKENZIE:** That's right. How many additional staff have been employed by the regulator since 2017-18?

**Dr McEwen:** There were around 25 staff who were doing central office policy and procedure work.

**Senator McKENZIE:** They're additional to do this work?

**Dr McEwen:** No. They were doing all of the functions. in Canberra. There were around, I think, 25 staff who were working in the regions doing veterinary inspections and so forth and some audit staff. We now have around 45 staff in—

**Senator McKENZIE:** So from 25 to—

**Dr McEwen:** In the Live Animal Export Branch and—

**Senator McKENZIE:** In total?

**Dr McEwen:** 19 in the—

**Senator McKENZIE:** In the regions as vets?

**Dr McEwen:** No, in the Animal Welfare Branch and also still around 25 in the regions. The number is, at the moment, 65.2 staff as at March 2021 are in the Live Animal Exports Branch, the Animal Welfare Branch, and the principal regulatory office.

**Senator McKENZIE:** That do this work?

**Dr McEwen:** Yes.

**Senator McKENZIE:** That contribute to the department's capability and capacity to regulate?

**Dr McEwen:** Yes. Not all of—and similarly, there are around 25 staff in the veterinary export meat group who do veterinary inspections.

**Senator McKENZIE:** So do you count the 25 in this piece?

**Dr McEwen:** Yes. They're counted in those costs.

**Senator McKENZIE:** Sorry, just let me do the maths here.

**Dr McEwen:** Sorry. It's about 90.

**Senator McKENZIE:** Arithmetic. There are 90 staff in total working on the regulatory piece.

**Dr McEwen:** Yes.

**Senator McKENZIE:** My question was: how many in 2017-18 and what is the increase?

**Mr Hazlehurst:** In terms of the current situation—I know you're asking about 2017-18—

**Senator McKENZIE:** I'm just asking about the difference.

**Mr Hazlehurst:** Yes, but in terms of the current situation—we might need to just confirm the numbers for 2017-18 on notice. I'm sorry, I don't think we've got that.

**Senator McKENZIE:** Really?

**Mr Hazlehurst:** I don't think we have that here. But in response to question on notice No. 108, from Senator Sterle, we have a very detailed breakdown of the staffing numbers and costs currently across the different parts of Dr McEwen's division as well as the staff that are in the network. We will check and see whether, during the course of this afternoon and this evening, we can give you the numbers for 2017-18. I just don't think we've got them in our folders.

**Senator McKENZIE:** Okay. I would love them this evening, and I want to understand the difference.

**Mr Hazlehurst:** Yes, sure.

**Dr McEwen:** One thing I would point out is that not all of the staff do 100 per cent of their work on live animal exports.

**Senator McKENZIE:** I get that. But it's a lot of staff for 12 million bucks this year. Alright. Are we then assuming there will be job cuts once we've built the bridge?

**Mr Metcalfe:** Not job cuts. We will simply move people on to do some of the other work we're doing around the place. But there will be fewer staff working on this function.

**Senator McKENZIE:** Good answer, Secretary. Now that the ASEL changes have been adopted, the reviews completed and the recommendations implemented, the number of animals has been contracting. The department hasn't been overrun with breaches, as we heard through those fantastic figures quoted to Senator Davey earlier. Is there a reason why we need this level of staffing at the moment?

**Mr Metcalfe:** I think we've answered that in that we are now looking at how we can, with the proper regulatory oversight, reduce our overall effort, commensurate with the fact that we now have a lot of things in place.

**Senator McKENZIE:** When will that begin—this coming financial year?



**Mr Metcalfe:** In 2021-22.

**Senator McKENZIE:** Okay. Good. Earlier Senator McMahon was asking for the assumptions underpinning the modelling.

**Mr Metcalfe:** Yes.

**Senator McKENZIE:** Are they in the CRIS?

**Mr Hazlehurst:** The prices are in the CRIS.

**Senator McKENZIE:** I know the prices are in the CRIS. We're all quoting the CRIS. The price the minister is quoting is based on a set of modelled numbers, and I would like to understand the assumptions. I think that was Senator McMahon's actual question. Where do I find those?

**Mr Hazlehurst:** As I said before, we'd be happy to provide those on notice.

**Senator McKENZIE:** They're not in the CRIS, though?

**Mr Hazlehurst:** They're not in the CRIS.

**Senator McKENZIE:** I think a lot of people thought they might be.

**Mr Hazlehurst:** People can come up with their own scenarios, based on all of the prices that are in the CRIS, but by definition you'd have to come up with which market you're going to, how many animal, how many consignments in that year—

**Senator McKENZIE:** People get quite concerned because it's not clear and the modelling isn't transparent. You can see how these things happen. So I'm looking forward to some assumptions.

**Mr Hazlehurst:** With respect, Senator, I don't think that's the case. We're being very transparent about all of our work.

**Senator McKENZIE:** Okay, so where are the assumptions?

**Mr Hazlehurst:** We've taken industry through the modelling, last week, and we're happy to provide that modelling to the community.

**Senator McKENZIE:** But is it public?

**Mr Hazlehurst:** Not yet, but we're not keeping it secret.

**Mr Metcalfe:** It will be when we provide it to the committee.

**Senator McKENZIE:** Yes, thanks to senators' questioning it will be. Thank you, Chair.

**CHAIR:** Senator McCarthy.

**Senator McCARTHY:** I'd like to follow up on a couple of questions I asked in March about ehrlichiosis.

**Mr Metcalfe:** We're talking about the dog illness?

**Senator McCARTHY:** Yes. At last estimates, the Chief Veterinary Officer put the number of dogs affected at 400, with a mortality rate of 10 per cent. However, the anecdotal evidence we've received on the ground puts this much higher. Do you have an update on those figures?

**Dr Martin:** Yes. We know that about 1,500 animals have been tested and 520 tested positive. The mortality rate, I understand, is around 10 per cent. They're the latest figures that we have.

**Senator McCARTHY:** In the Northern Territory, there's no permanent veterinary capacity in our remote communities, so data relies on private practitioners to get samples, but they may only visit communities a couple of times a year. What are you able to do about this discrepancy between your data and some of the anecdotal data on the ground?

**Dr Martin:** Certainly through the Animal Health Committee, which is made up of all the state and territory chief veterinary officers and the Commonwealth Chief Veterinary Officer, the ehrlichiosis issue is continuing to be discussed. Getting information from private veterinarians or other sources relies on that information going to the state or territory veterinary officers. Sometimes with these things there is definitely insufficient data.

**Senator McCARTHY:** You said 520 dogs have tested positive. Where would they be?

**Dr Martin:** Those dogs were mostly tested in the Northern Territory and in the north of Western Australia, in the Kimberley region.

**Senator McCARTHY:** Can you explain to the committee whether ehrlichiosis is a really serious concern in terms of risk to the broader community, or is it just another challenge that you have to deal with?

**Dr Martin:** Ehrlichiosis is a disease of dogs which is spread via ticks. It's obviously a serious disease in dogs. The strain that we have here is most closely related to what's called an Asian strain. There's no evidence that it has infected people. I think Dr Schipp discussed AMRRIC, which is the Animal Management in Rural and Remote Indigenous Communities. They've put forward a proposal to do some surveillance in those communities, and that's being discussed through the Department of Health. I know that Dr Schipp has met with AMRRIC and he's also met with the Chief Medical Officer. That proposal, through the Department of Health, has gone to the Communicable Diseases Network, which is the public health officials. They're going to now discuss that with the department of agriculture.

**Senator McCARTHY:** AMRRIC is seeking funding for a program in Kalkarindji, Beswick and Barunga to take blood samples from humans and dogs to screen for zoonosis. That's around \$300,000. Is that program going to be funded?

**Dr Martin:** That's the proposal that the Department of Health has been discussing with the CDNA—that's the public health group. Because they wish to take samples from dogs, they're also discussing it with the Department of Agriculture, Water and the Environment and will need to discuss it through the state and territory chief veterinary officers. That proposal is under active discussion.

**Senator McCARTHY:** Is it seen as a matter of urgency to understand whether there is infection between dogs and humans as a result of this tick?

**Dr Martin:** I think you'd probably need to talk to the Department of Health about public health. Certainly, with the testing that I talked about, there were more samples tested to understand what the prevalence might be within the Northern Territory and WA.

**Senator McCARTHY:** So this would be the first opportunity for those samples to be taken in relation to that link between dogs and humans?

**Dr Martin:** Yes, that's my understanding. But, as I mentioned, we don't have any evidence that this strain is a zoonotic thing. There is some limited evidence about a South American strain that may be zoonotic—so it can infect people as well.

**Senator McCARTHY:** But isn't the whole point of taking the sample so we can see if there is evidence?

**Dr Martin:** Yes, that's AMMRIC's proposal. Their proposal is to look at whether there is. And also, I don't think it's solely related to *Ehrlichia canis*; it's also looking at whether there might be other vector-borne diseases.

**Senator McCARTHY:** I notice that the budget doesn't have any funding for AMMRIC. Is there any reason for that?

**Dr Martin:** Sorry—

**Senator McCARTHY:** In the federal budget, as I understand it, there hasn't been any further funding for AMMRIC. Mr Metcalfe, by all means, take the question on notice.

**Dr Martin:** There's not, to my knowledge, any specific funding in the biosecurity space—is that where you're talking—

**Senator McCARTHY:** That's correct.

**Dr Martin:** That's all I can respond to. The answer is no.

**Senator McCARTHY:** Mr Metcalfe, is there anything you wanted to add?

**Mr Metcalfe:** While there might be nothing specific in this budget, there's a huge amount of resourcing that sits in the department on these issues.

**Senator McCARTHY:** Alright. I will continue to raise it when we don't know—in the absence of that evidence—around whether there is a link between dogs and humans. Given that the concerns are largely in the north and we know in particular there are in our First Nations communities high rates of morbidity and also all the other sicknesses that First Nations people have to deal with, it's a real concern if there is a connection in terms of dogs and humans.

**Mr Metcalfe:** We absolutely understand that very important point you make. I know that the experts—Dr Martin, the chief vet and others—are very focused on that.

**Dr Martin:** It certainly has been given active consideration. Although I know the process seems a bit slow, it certainly is making its way through all the relevant groups for consideration about what's the best approach.

**Senator McCARTHY:** Thank you.

**Senator CICCONE:** I wanted to follow on a line of questions about the export cost recovery. I think Senator Perin Davey has already supplied few questions.

**Mr Metcalfe:** Is it on export cost recovery?

**Senator CICCONE:** Yes, it is.

**Mr Metcalfe:** I'll ask my colleagues to come back again. The great advantage of this committee, Chair, is that you managed to make the waiting room for officials next door. For the environment committee, we were downstairs. I think officials clocked up somewhere around 40,000 steps during the day running up and down the stairs!

**CHAIR:** Is that right? RRAT's waiting room is always next door, because we are a model of efficiency and focus, and we're outcomes based!

**Mr Metcalfe:** I'm not reflecting on the other committee, but this was very well done.

**Senator Duniam:** Yes, well done!

**CHAIR:** I'm sure those steps will be appreciated coming into the winter months when we're all a bit more well padded!

**Mr Metcalfe:** There are a lot of very lean public servants as a result of that!

**CHAIR:** Sleek!

**Senator CICCONE:** I'll be quick.

**Mr Metcalfe:** We're ready to go.

**Senator CICCONE:** Thank you. I know there were a few questions that Senator Davey had asked that I was going to ask too. I don't know if she was reading my notes, but we'll see how we go. I also wanted to table page 8 of the CRIS. The 2021-22—

**Mr Metcalfe:** That's the exposure draft.

**Senator CICCONE:** Very good. Why do we have penguins on the front, by the way? That's just out of interest; that's not one of my questions.

**Mr Metcalfe:** We cover Antarctica.

**Senator CICCONE:** Good to know. I want to refer to table 3 of the cost recovery implementation statement: 'Horticulture exports 2021-22'. My question goes to why the agriculture industry pays for indirect costs in the department as part of the cost recovery. That's the first part of my question.

**Mr Metcalfe:** We're just getting a statement in front of us. We'll ask Mr Pak Poy.

**Mr Hazlehurst:** It's horticulture.

**Senator CICCONE:** Yes, it is horticulture.

**Mr Hazlehurst:** Sorry, I thought you were talking about live exports. My bad.

**Senator CICCONE:** No, export cost recovery.

**Mr Hazlehurst:** Yes, fine.

**Mr Metcalfe:** We're talking about the enabling services that essentially—

**Senator CICCONE:** Yes, table 3. Why does the hort industry have to pay for indirect costs in the department as part of the export cost recovery?

**Mr Pak Poy:** The horticulture industry, like all industries that we have under a cost recovery arrangement, pay under the Commonwealth cost recovery guidelines for the full cost of the regulatory service. The full costs under the guidelines includes indirect costs, which are directly attributable to the service being provided. Another way of putting that is: if we need to have an officer who will be providing inspection services, they need to have an office to potentially go to during some part of their working week. They'll need to have equipment that they can use, they need to be paid, the lights in their office need to be maintained and their car needs to run. Under the Commonwealth Cost Recovery Guidelines, reasonable indirect costs such as those should be passed on.

**Senator CICCONE:** Should be, could be?

**Mr Metcalfe:** It depends on the definition of 'direct' and 'indirect'. We're being transparent here. The direct cost is the actual salary cost for the employees, but the indirect costs are the things that enable that employee to do their job. They need to have somewhere to sit, they need a laptop to use, they need to get paid et cetera. And so our enabling services, which provide services right across the department, are required to be calculated. The proportion relevant to that particular function are required to be attributed to and the subject of cost recovery.

**Senator CICCONE:** What benefit could you say that the industry get, whether it's the \$1 million in office rent or the \$1.4 million in IT services?

**Mr Metcalfe:** This is attributed to the staff working on that particular function, so it's not the entire cost of the department. We maintain 70 locations around Australia, we have 6,000 to 7,000 staff et cetera. So these are the costs associated with the people who are doing that particular function. Ultimately that's a reflection of the way the Commonwealth Cost Recovery Guidelines operate. If the user of the service wasn't paying for that then the Australian taxpayer would be. Someone's got to pay for it. The Cost Recovery Guidelines are that the industry should pay for the costs of the service provided to them.

**Senator CICCONE:** Are these indirect costs also charged to other agricultural industries under the cost recovery model?

**Mr Pak Poy:** Yes.

**Senator CICCONE:** Which industries are they? Do you know?

**Mr Pak Poy:** As I said earlier, under all of our cost recovery arrangements across exports and biosecurity, we include the indirect costs as per what you'd see here in those arrangements—so in the cost base for those arrangements and the calculation of the fees and charges for them. That includes all of the industries who are under an exports cost recovery arrangement as well as under the biosecurity arrangement.

**Senator CICCONE:** Was any consideration put to the department for a more sustainable financial footing rather than this sort of cost recovery from the industry, or are you exploring options?

**Mr Metcalfe:** Sorry?

**Senator CICCONE:** Are there any considerations that have been put either to the department or is the department maybe considering more sustainable financial footings rather than going down this cost recovery model?

**Mr Metcalfe:** You've really got to go back to the bigger issue, which is the Commonwealth Cost Recovery Guidelines, which are owned by the Department of Finance. We as a department are obliged to operate under those guidelines. They require us to effectively recover from the regulated industry's direct expenses, indirect expenses and capital expenses. If that wasn't done, and charged back to the user, it would effectively be a cost on the Australian taxpayer. We've given extensive evidence earlier this afternoon that we have been significantly under-recovering because fees have not been increased for some years. But, as a result of the October budget last year, we are now on a pathway to moving back towards full cost recovery over a graduated period of steps. At the same time, we are working very hard to try and reduce the costs that we are required to employ through more efficient ways of working, including better technology. The government has funded us to the tune of hundreds of millions of dollars to improve the quality of the interactions that we provide and to provide digital services to people. This is nothing new and it's nothing specific to our department; it's a broader issue that we're discussing here.

**Senator CICCONE:** In previous years, under the previous department, cost recovery was 48 per cent or thereabouts. With the new merged department, it's around 30 per cent?

**Mr Metcalfe:** In terms of our total revenue source.

**Mr Pak Poy:** It is roughly 30 per cent.

**Senator CICCONE:** Does that mean there is a strategy in place to keep reducing the amount? From what I could read in this CRIS—is it not the case that the department is proposing to increase the fees over the forwards?

**Mr Metcalfe:** Across the various CRISs that are now out for public consultation—we've been discussing live exports extensively, but there are CRISs in relation to plant exports, meat exports and so on—the intention is to go on a pathway towards a return to full cost recovery, with proper attribution of costs as outlined here. But, at the same time, we been given a very significant injection of funding to help us modernise the systems that we use and the interactions that we have with industries so that we are a more efficient regulator from that point of view. That was set out in a fair bit of detail in the October budget and associated material.

**Senator CICCONE:** So I guess there's an expectation that it would be going up from 30 per cent to somewhere in the order of 40 per cent.

**Mr Metcalfe:** Mr Hazlehurst may be more elegant in his explanation. As part of the overall funding of the department, over time, we would expect our regulatory services to become more efficient in the exports area because of the move to new digital services and more efficient ways of doing things. At the same time, in trying to reduce the overall cost, there is a commitment to move back towards full cost recovery. So this is happening and that's happening. What that means as a proportion of overall funding is difficult to say. The other dimension

to this is the growth in activity. We are seeing more exports occurring as our industries are successfully growing and exporting more. So we're actually doing more work as well. So there is a series of dimensions that you are looking at in order to try and respond to your question. That's why I couldn't say we expect 30 per cent to become 20 per cent or 30 per cent to become 40 per cent; it depends on a whole series of moving parts.

**Mr Hazlehurst:** I think what we could say, though, is that it's definitely not going to be in the order of 10 per cent either way. What we're talking about here is just the exports cost recovery part. Even if we get back to full cost recovery, the difference is \$30 million. The overall cost of the department are in the order of—Mr Pak Poy?

**Mr Pak Poy:** The overall costs altogether are \$1.5 billion.

**Mr Hazlehurst:** So, relative to the size of the department, these changes are quite small.

**Senator CICCONE:** They might be small for the department, but they are quite large for the producers who have to pay.

**Mr Hazlehurst:** Your question was about whether we would go from 30 to 40, and the answer to that is no.

**Senator CICCONE:** My point, obviously, is: at what point are you looking to increase?

**Mr Metcalfe:** The other dimension here, of course, is that we levy significant charges on importers for biosecurity scrutiny. So that's another area of charging. But, again, this is all consistent with overall Commonwealth arrangements.

**Senator CICCONE:** With the government's focus on diversifying export markets for Australian farmers, have we considered Australia's competitive position in terms of government fees and other charges for exporters? Senator Davey asked about how we compare to comparable countries like New Zealand or Canada. But my question to you is: have we considered our competitive position?

**Mr Pak Poy:** Under the cost recovery guidelines, that's not something we can consider when we're setting fees and charges. Making a decision about what is cost recovered and to what extent it's cost recovered would be a consideration for government.

**Senator CICCONE:** Aren't you part of government? Aren't you government? Don't you make recommendations to your minister?

**Mr Metcalfe:** The most recent time the government considered this matter was in October last year, when the government agreed that the department needed substantial investment to help modernise our systems that interact with exporters to make them far more streamlined. At the same time, the government decided that we should move back on this path of moving towards full cost recovery given that we'd slipped well behind full cost recovery. There was a delay associated with that because of the impact of the pandemic on businesses and whatever. That's why it's been delayed and will commence in the next financial year. But the overall issue—whether Australians should pay for the regulation of their exports, as opposed to what happens in other countries—is not something that's been considered apart from that context, at least in my experience.

**Senator CICCONE:** Alright. There was an earlier question about a cost-type breakdown for commodities. I'm just interested as to why you wouldn't put into your CRIS a breakdown of the fees by commodities?

**Mr Hazlehurst:** We do. You have in front of you—

**Senator CICCONE:** Let's break down direct and indirect—but by commodity as well?

**Mr Hazlehurst:** Yes, this is the CRIS for horticulture.

**Senator CICCONE:** Yes, but have you got one that's also a breakdown for all the different commodity groups?

**Mr Metcalfe:** Effectively, there are different CRISs for the different commodities.

**Senator CICCONE:** Yes, but is there a table you can provide to the committee? Senator Perin Davey asked a question about it earlier. Could you put together for us something like this but for every commodity group?

**Mr Metcalfe:** Yes. Effectively, that would be drawing together information that is available on the website.

**Senator CICCONE:** That would be good. Alright.

**Mr Metcalfe:** There's one for live animals, one for meat, one for horticulture, one for dairy and one for eggs.

**Senator CICCONE:** If the department could put it all into one document for us, that would be great. Thank you. I've got a few questions on biosecurity funding. In a media release on, I think, 4 May this year, the minister stated that there was a record \$888 million investment in biosecurity and export services. Can the department provide a breakdown of this funding

**Mr Tongue:** A breakdown how?

**Senator CICCONE:** Let me go through a few of these other dot points and maybe you can either take it on notice or provide me with a verbal response. Can you give me the allocation of funding across the forward estimates for each measure or program, including a breakdown of the funding for each measure or program by capital expenditure.

**Mr Tongue:** Yes.

**Senator CICCONE:** Can include what the funding will be used for—for example, ICT.

**Mr Tongue:** Yes.

**Senator CICCONE:** Can you include any other amounts allocated to support specific measures and programs.

**Mr Tongue:** There's quite a lot of detail.

**Mr Metcalfe:** Can we take that on notice, Senator?

**Senator CICCONE:** I reckon you can. The funding allocated for each individual measure and program. If you could provide a list of the individual measures and programs by name; and how much funding is allocated to each measure or program, including a breakdown of how much funding is allocated to capital expenditure. If you can also detail what the measure and/or program is designed to do and the location by state or territory.

**Mr Tongue:** State or territory might be a bit difficult.

**Senator CICCONE:** See what you can find.

**Mr Metcalfe:** Most of them will have national application. Many of them are aimed, of course, given the role of the Commonwealth, at interventions at our borders. They are non-specific as to state. We'll certainly take all of that on notice and give you the best information we can.

**Senator CICCONE:** Can you also confirm how much of the \$371 million announced as part of the budget is allocated to capital expenditure?

**Mr Tongue:** Yes. If you go to the portfolio budget statement—Mr Pak Poy might need to help me out.

**Senator CICCONE:** Can you give me a page number, and I will jot that down for later on?

**Mr Metcalfe:** Mr Pak Poy can point you to the relevant bit. The actual figure for the overall biosecurity package is \$400.1 million. The \$378 million figure is effectively those measures that are exclusively within the agriculture part of the department. But there's an additional figure for the measures we were talking about before relating to feral pests and whatever, which are associated with the broader impact into the environment as well as agriculture parts of the department. You'll find a media release and other references on budget night or following budget night to a figure of \$400.1 million, which is the overall budget additional funding that we have for biosecurity.

**Mr Pak Poy:** Could I point you to page 37 of the portfolio budget statement. There are two measures there. 'Biosecurity—for modern technologies and diagnostic tools to improve the speed and accuracy of pest and disease identification at the border': \$760,000 in 2021-22 and \$1.661 million in 2022-23. Then there's another measure, 'biosecurity—trial pre border biosecurity screening technology on travellers and air cargo': \$8.466 million dollars in 2021-22 and \$718,000 in 2022-23.

**Senator CICCONE:** That's the capital expenditure?

**Mr Tongue:** That's the capital expenditure.

**Senator CICCONE:** And also over the forwards? I haven't got the document with me but I'll have a look later. There are 11 measures listed?

**Mr Tongue:** There are measures throughout the document. There are actually 13 measures. Two of the measures appear elsewhere in the document.

**Senator CICCONE:** I don't know whether it's in there. Can you provide how much of the funding is for capital expenditure?

**Mr Tongue:** We just did that.

**Senator CICCONE:** That's the 13, not the 11?

**Senator CICCONE:** Is it one-off funding or recurrent?

**Mr Pak Poy:** There is also another capital item on page 37 that I don't think Mr Tongue mentioned. That's the one at the top of page 37, which is 'biosecurity screening of incoming international mail'. That's \$4 million in 2021-22 and \$8.232 million in 2022-23.

**Senator CICCONE:** Thank you. I don't know whether it was asked before, but can you confirm which measures will keep pests, diseases, weeds and those types of matters out of Australia under biosecurity?

**Mr Tongue:** That measure appears in both outcome 3 and outcome 4. Part of it is in outcome 1. That goes to what I talked about earlier, about that tenure neutral approach.

**Senator CICCONE:** I wasn't here for that. My apologies.

**Mr Tongue:** For time's sake, I will take it on notice and break it down.

**Senator CICCONE:** Thank you. Can the department confirm how much funding has been allocated to promoting biosecurity risks for Australia?

**Mr Metcalfe:** We'll take that on notice. There is a very small amount in the budget. But I should also say that I've asked our department's communications team, on behalf of the minister, to significantly increase our social media activities, which we've done right across a whole range of areas, including Antarctic division, threatened species and whatever, because community involvement in biosecurity is absolutely critical. You'll see in the biosecurity strategy the wonderful story that I think I talked about last time we were at estimates relating to the couple in Kambah in Canberra. Mr and Mrs Burdett noticed unusual beetles in their refrigerator packing that they got from the Good Guys. They rang the hotline and it turned out to be khapra beetle, which we know is a very significant pest as far as stored grains are concerned. Vigilance from the community is a very important part of what we do.

**Mr Tongue:** Senator, \$3.9 million over four years from 2021-22 to increase community and business biosecurity awareness, on top of our normal activities.

**Senator CICCONE:** And over the forwards?

**Mr Tongue:** \$3.9 million over the forwards.

**Senator CICCONE:** Of this funding—I'm glad you raised social media—can you provide a breakdown across media outlets or other media that you look at spend in, too?

**Mr Metcalfe:** We'll take it on notice.

**Senator CICCONE:** Whether that's TV, social or print.

**CHAIR:** What's your handle on Instagram and those things?

**Senator CICCONE:** Good question, Chair!

**Mr Metcalfe:** A very good question. It just gets fed to me. I will provide that information to you. I'd hope you were already following us.

**CHAIR:** I'm just looking at it. I'm not sure that I do.

**Senator CICCONE:** On what platform, Chair?

**CHAIR:** Instagram.

**Senator CICCONE:** I like Twitter or Facebook.

**Mr Metcalfe:** We're all over Instagram. We're on Facebook. We're everywhere.

**Senator CICCONE:** TikTok? I'd pay to see that.

**Mr Metcalfe:** Not quite there yet. Hip and groovy is how I describe us, Senator.

**Senator CICCONE:** I'd describe you as hip and groovy, Mr Metcalfe.

**Mr Metcalfe:** I'll pass that on to my family.

**Senator CICCONE:** I'm sure they're watching and laughing at the moment. Can the department also confirm how much funding has been allocated to creating advertisements in relation to promoting biosecurity risks?

**Mr Tongue:** I'd have to take that on notice.

**Mr Metcalfe:** There have been some famous cases in the past. For example, the late Steve Irwin was very much involved in a campaign called Quarantine Matters! I think there was some work done a year or two ago in which we involved a series of quite famous chefs and others to promote the benefits of biosecurity for Australia. Then we get free publicity from media interest in things like Joe the pigeon.

**Senator CICCONE:** My mate Joe! How is he? Is he still alive after we last had a round of questions?

**Mr Tongue:** I haven't checked on him, because he's a little, old Aussie battler; he's not ours.

**Mr Metcalfe:** If he's no longer with us it's not because of us.

**Senator CICCONE:** I reckon one of my best social media hits was me asking questions about Joe the pigeon. Could you also provide the names of marketing agencies as part of advertisement and any work that may be undertaken?

**Mr Tongue:** Certainly.

**Senator CICCONE:** I think that's it for me. It's always fun talking about these things in ag. Who said ag wasn't sexy or fun?

**Mr Tongue:** Can I respond to Senator Sterle's question earlier about feral animals? In the Agriculture portfolio between 2015-16 and still to come in 2024-25 we've spent \$212 million on established pest, animal and weed management. I'm happy to give Senator Sterle a breakdown on notice.

**Mr Metcalfe:** Our Twitter handle is @DeptAgNews.

**Senator CICCONE:** What's yours?

**Mr Metcalfe:** My personal handle? I will see if King Arthur is available, given all the roundtables we have!

**CHAIR:** I'm sure that will be ready for you. Thank you very much to the department. I believe that releases you with our thanks.

**Senator ROBERTS:** I need to ask some questions on American foulbrood in bees. Is that okay?

**Senator Duniam:** I table some further information to Senator McKenzie's questions.

**CHAIR:** Terrific, thank you. Senator Roberts, we have the Inspector-General waiting. Do you have some questions of the department before they leave?

**Senator ROBERTS:** Yes, please.

**CHAIR:** We have a very short amount of time, Senator Roberts. Would you mind being to the point?

**Senator ROBERTS:** I appreciate that, Chair. If there's anything that needs a detailed explanation, I'm happy to take it on notice. My questions go to American foulbrood, which I only learned about recently. I'm very passionate about honey. A disease that destroys beehives now extends from Melbourne to Cairns, and there's no known cure. American foulbrood positive hives must be burned and the department must be notified, correct?

**Mr Tongue:** Yes.

**Senator ROBERTS:** What are the statistics Australia wide on American foulbrood contamination with respect to loss and hive loss.

**Mr Tongue:** I'll go to the chief plant protection officer, Dr Vivian-Smith.

**Senator ROBERTS:** Do you want to take it on notice, or has she got them?

**Dr Vivian-Smith:** I haven't got the statistics, but I can tell you a bit about American foulbrood. It is an endemic disease in Australia. It's an endemic, established disease of bees in Australia. It's relatively widespread. It's been here for quite a significant amount of time. I believe it's been over 100 years since it first arrived. It's managed largely by the state and territories as an established pest in Australia. It's managed under a code of practice that is adopted by industry. All beekeepers in Australia generally need to report it to their state or territory agency. They don't report it to us. We would not hold those statistics. Beekeepers are required to take action if they detect it, but it is quite a difficult disease to detect, so it requires a lot of vigilance. The bee biosecurity code of practice really encourages that vigilance and monitoring of beehives to ensure that they can pick up this disease early and take action before it spreads.

**Senator ROBERTS:** My understanding is that it's still allowed to be imported through foreign honey or wax products. Is that the case, and, if so, why?

**Dr Vivian-Smith:** I'll have to take that question on notice. I don't believe that we would allow it to be imported, as such.

**Senator ROBERTS:** Maybe you don't allow it, but maybe the testing is not adequate. I'm of the understanding that it continues to be imported.

**Mr Metcalfe:** We can take that on notice, but there are very strict protocols about the importation of bees into Australia—biosecurity requirements. We might provide information about that on notice as well. American foulbrood is a disease that's been with us a long time. It's in all states and territories. It appears to be spread largely through contaminated equipment. There are very significant testing regimes. I've just been looking at the New South Wales DPI guidance for AFB, for example.

**Senator ROBERTS:** Is it true that China does not accept imports of any honey products from Australia with AFB, American foulbrood, but does export honey to Australia that contains or may contain AFB?



**Mr Tongue:** We'd have to take that one on notice.

**Senator ROBERTS:** Thank you. Why does the department still allow the movement of bees from state to state, except for WA, without trying to restrict hives containing AFB?

**Mr Metcalfe:** That would be a matter for each state and territory to manage.

**Mr Tongue:** Each state and territory manage that.

**Senator ROBERTS:** Why do we not have mandatory testing of AFB when movement of hives is required?

**Mr Tongue:** That's a state and territory issue.

**Senator ROBERTS:** So that's for them to get together and come up with?

**Mr Tongue:** Yes.

**Senator ROBERTS:** Is it true that New Zealand does have an aggressive eradication program?

**Dr Vivian-Smith:** I can't comment on New Zealand's eradication program for American foulbrood. I don't have knowledge of that.

**Mr Tongue:** We can take that on notice.

**Senator ROBERTS:** I'm guessing—and correct me, on notice, if I'm wrong—that because it's endemic it would be difficult, you would see it as impossible, to eradicate from Australia.

**Dr Vivian-Smith:** Yes.

**Mr Tongue:** Nothing's impossible. It depends on how much money you spend.

**Senator ROBERTS:** Impractical.

**Mr Tongue:** Impractical.

**Mr Metcalfe:** It would be highly impractical, because we would probably require the destruction of a great many hives and bees.

**Senator ROBERTS:** Last question: what is the worst possible scenario if this disease got worse?

**Mr Metcalfe:** It would obviously impact on the viability of the honey industry, but, again, I think we should take that on notice and give you a considered response.

**Senator ROBERTS:** Would it impact widely on agriculture, because bees are used to pollinate plants?

**Mr Metcalfe:** That's a good question.

**Senator ROBERTS:** That's the key question.

**Mr Metcalfe:** These are very serious questions you're asking. I think we should provide you with a considered response.

**Senator ROBERTS:** That's the main question I want to know.

**Mr Metcalfe:** I understand.

**Senator ROBERTS:** Has it got far-reaching consequences for all the agriculture?

**Mr Metcalfe:** For pollination, yes.

**Mr Tongue:** As a guide, the honey industry is worth \$300 or \$400 million a year and pollination services are worth \$1.6 billion. It's the work that bees do in pollination that is far more important to the economy than the honey; although we all enjoy the honey.

**Senator ROBERTS:** That is what I am after. Thank you very much, Chair, for your patience and thank you to the witnesses.

**CHAIR:** Thank you, Senator Roberts. That finishes the department's appearance. We turn now to the Inspector-General of Biosecurity, Mr Delane.

#### **Inspector-General of Biosecurity**

[18:25]

**CHAIR:** I would just ask you if you wouldn't mind just briefly letting us know the biosecurity arrangements that are in place. The secretary has spoken at length about the good work that's being done. Is there anything that you'd like to bring to this committee's attention?

**Mr Delane:** I come to you from the beautiful Western Australia down of Denmark. Last time I spoke to you, I spoke mostly about a review that I'd done into the operational model of the department. We spent some time on that. Since that time, we have completed another major review, which we shortened to be a confidence testing

review. Its long title is *Confidence testing for at-border delivery of critical human biosecurity functions—Ruby Princess cruise ship incident*, which was the inspiration for that. Since that time, the national budget has also been brought down. The best way for me to summarise it is that both of those reports raise a number of very serious issues. I think that adjective is accurate. In the two reports between them, I made 61 recommendations—19 in the first report and 42 in the second. We can discuss that in some detail. But I have to say, it's not my job to advocate the department budgets and it is not my job to comment on government policy, but given the number of issues that I've raised that have been addressed directly by the most recent budget allocation, you'd expect the inspector-general to be pleased about that. I'm very happy to talk through any of the issues but that's the quick summary of the most recent report that has been provided to the committee.

Minister Littleproud did ask me in August to look into this subject area. Under the Biosecurity Act, the minister and the director of biosecurity's secretary are able to ask me. I considered those requests and, in this case, I responded quickly to initiate a review along those lines. The review started with the *Ruby Princess* but, fundamentally, I believe what the minister was looking for and what I sought to do was to determine whether we should be deeply worried about other weaknesses in the biosecurity system, particularly the handling of vessels but in a range of other areas as well. So I pursued what I call a root-cause approach, an old-fashioned approach, looking at why these things are happening and that's led to a very long report that makes 42 recommendations. The department has responded to both of those review reports in a positive way, and the secretary's response to those recommendations is in the back of both of those reports.

**CHAIR:** Thank you very much. I assume that the Commonwealth Biosecurity 2030 road map is something that you have had input into as well?

**Mr Delane:** Well, my role is to review as an independent statutory officer, so I'm not an advisor, not a member of the department; I'm an advisor to the department. Of course, I don't see the material that goes in the preparation of the budget submissions to the government and I don't see those policy documents. I'm pleased to see that one is out, of course. There is a lot of work to do. I am on the public record very clearly saying there is a lot of work to do. There is a lot of methodical work to do to build the nation's preventative biosecurity system, which is effectively the sole responsibility of the Australian government, to a level that this inspector-general considers necessary to appropriately protect our nation.

**CHAIR:** Thank you very much for those comments. I agree that the preventive biosecurity plans for this country are the most important thing that we can be doing to protect all of our industries and our people, so the work you're doing is terrifically important. Thank you very much for your time this evening. I'm pleased that you haven't flown over for such a short presentation.

**Mr Delane:** It's okay. Thanks very much. Good luck with your work, cheers.

**Committee adjourned at 18:30**