

Inquiry into growing Australian agriculture to \$100 billion by 2030
Submission 4 - Supplementary Submission
Standing Committee on Agriculture and Water Resources
Answers to questions on notice
Agriculture, Water and the Environment Portfolio

Committee: Standing Committee on Agriculture and Water Resources
Inquiry: Growing Australian agriculture to \$100 billion by 2030
Question No: 1
Hearing Date: 18 June 2020
Division/Agency: Department of Agriculture, Water and the Environment
Topic: Live export shipping industry
Hansard Page: N/A
Question Date: 18 June 2020
Question Type: Written

Standing Committee on Agriculture and Water Resources asked:

1. The group Animals Australia appear to have obtained a position of real influence over the development of policy and the implementation of regulations relating to the live export shipping industry. Indeed, Animals Australia act as though they have a veto-like influence over policy and accreditation relating to live exports.
- a. What formal role do Animals Australia have in discussions and decisions relating to the live export industry?
 - b. What is the justification behind their being chosen as a key stakeholder in this sector?
 - c. What influence, whether formal or informal, do they have over the development of policy and the implementation of regulations relating to live export shipping?
 - d. Does the position that Animals Australia have in influencing policy in relation to live exports create a precedent for other activist groups to insert themselves into the export licencing process across other agricultural commodities?

Answer:

1.a) Animals Australia does not have a formal role in decisions relating to the live export industry. It is a member of the Live Export Animal Welfare Advisory Group (LEAWAG), which is an advisory and information sharing group established by the Department of Agriculture, Water and the Environment.

1.b) Animals Australia is broadly recognised as one of the key animal welfare organisations in Australia. Animals Australia has provided contributions about livestock exports to various independent reviews. The 2018 review into the regulatory capability and culture of the department, conducted by Mr Philip Moss, AM, recommended that “That the department establish appropriate forums to consult with stakeholders and assess community expectations.” LEAWAG was established primarily in response to this recommendation and includes a broad range of stakeholders, including both community and industry groups.

1.c) Animals Australia has the same opportunity as other stakeholder groups to make submissions to policy development.

1.d) No. Animals Australia does not have a role in the export licencing process so there is no precedent in this regard for other agricultural commodities.

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Committee: Standing Committee on Agriculture and Water Resources
Inquiry: Growing Australian agriculture to \$100 billion by 2030
Question No: 2 and 3
Hearing Date: 18 June 2020
Division/Agency: Department of Agriculture, Water and the Environment
Topic: Citrus Australia
Hansard Page: N/A
Question Date: 18 June 2020
Question Type: Written

Standing Committee on Agriculture and Water Resources asked:

2. The Committee received evidence from Citrus Australia that the Department, in its role as the certifying authority for exports, takes an 'over-zealous' approach to managing the protocols required by importing countries. Citrus Australia additionally suggested that the Department's onerous conditions and increasing export fees were threatening the global competitiveness of producers. How do you respond to these statements? Is there any scope for reducing the compliance costs experienced by exporters?
3. The Department's market access work, and in particular its prioritisation of access negotiations was questioned by Citrus Australia as well as fruit and vegetable export representatives in Tasmania. Particular issues raised included:
 - a. delays in getting market access in Indonesia for seed potatoes,^[2]
 - b. the negotiation of persimmon trade to Thailand, which resulted in no actual trade, when this effort may have been better directed at sectors such as citrus and table grapes that have significant export growth potential.^[3]

How do you respond to these questions?

References:

¹Citrus Australia, [Submission 66](#), pp 3-4; Mr Nathan Hancock, Chief Executive Officer, Citrus Australia, [Official Committee Hansard](#), 4 November 2019, Mildura, p. 8.

²Mr Ian Locke, Export Facilitator, Tasmanian Fruit and Vegetable Export Facilitation Group, [Official Committee Hansard](#), 5 November 2019, Devonport, p. 6.

³Citrus Australia, [Submission 66](#), pp 3-4

Answer:

2. Australia's export certification system benefits our horticulture exporters and our \$50 billion agriculture industries by giving our trading partners assurance that our agricultural exports are free of pests and diseases. This regulatory effort is a key factor behind horticulture exporters being able to maintain and expand their access to lucrative overseas export markets - increasing the profitability of our exports and the return to growers. One aspect of the departments regulatory oversight of the export pathway utilises the accreditation of growers and pack houses to ensure that on farm pest monitoring and control activities are
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House Standing Committee on Agriculture and Water Resources

Answers to questions on notice

Agriculture, Water and the Environment Portfolio

Committee: House of Representatives Standing Committee on Agriculture and Water Resources

Inquiry: Inquiry into growing Australian agriculture to \$100 billion by 2030

Hearing Date: 18 June 2020

Division/Agency: Department of Agriculture, Water and the Environment

Topic: Water efficiency metrics

Hansard Page: 2

Question Date: 18 June 2020

Question Type: Spoken

Mr Mitchell asked:

Mr BRIAN MITCHELL: I apologise on behalf of all of us for what has been going on today. Thank you for your patience. One thing I'm keen to know is about water efficiency metrics. The CSIRO expects water use nationally to double by 2050, and I think there's an aspiration to have a goal of 20 per cent increase in water use efficiency by 2030. Does the department have a view on how we're tracking to meet that sort of objective, and does the NFF objective marry up with departmental objectives in terms of water-use efficiency?

Ms Deininger: I apologise that we don't have a representative from our water division here, but we can certainly seek some information from them about water efficiency metrics.

Answer:

The National Farmers Federation's (NFF) 2030 Roadmap includes an aspiration that smart water policy has improved the health of our waterways, made our farms more productive, and made our regional communities more resilient (aspiration 2.3). The NFF nominates a metric of a 20% increase in water use efficiency for irrigated agriculture by 2030 against this aspiration.

While the Australian Government does not collect water efficiency metrics nationally, through the National Water Initiative all governments recognise the continuing national imperative to increase the productivity and efficiency of Australia's water use. In addition, the Australian Government has a range of measures and programs in place to improve water efficiency. Some examples of these include:

- a. The Australian Government is providing more than \$8 billion for modernising infrastructure and water efficiency improvements as part of Murray-Darling Basin Plan implementation. These programs have made it possible to access significant volumes of water that would have otherwise been lost to seepage, leakage and evaporation. This represents a major investment in the long-term productivity of irrigated agriculture and the sustainability of regional communities.
- b. Since 1999, the Commonwealth has contributed approximately \$130 million to sustainability initiatives in the Great Artesian Basin, resulting in over 750 controlled bores, 21,000km of decommissioned bore drains and more than 31,000km of upgraded piping installed. The estimated annual water saving created due to these sustainability initiatives is over 256 GL per year.
- c. The Water Efficiency Labelling and Standards (WELS) scheme reduces demand for high quality drinkable water by informing consumers about water efficiency through a mandatory star rating system at the point of sale on taps, showers, flow controllers, toilets, dishwashers and clothes washing machines. The WELS is predicted to save a total of 1943.73 GL between 2020 and 2030.

House of Representatives Standing Committee on Agriculture and Water Resources

Answers to questions on notice

Agriculture, Water and the Environment Portfolio

Committee: House of Representatives Standing Committee on Agriculture and Water Resources

Inquiry: Inquiry into growing Australian agriculture to \$100 billion by 2030

Hearing Date: 18 June 2020

Division/Agency: Department of Agriculture, Water and the Environment

Topic: Export of sheep limit

Hansard Page: 2

Question Date: 18 June 2020

Question Type: Spoken

Mr Wilson asked:

CHAIR: [inaudible]. Can I put you on notice before you go that I will also be seeking an answer to how the original letter received by the exporter on Saturday morning, signed by Deputy Secretary David Hazlehurst, had a 54 kilo limit for sheep that were to be loaded on the boat, and subsequently you provided a directions letter that had a maximum limit of 50 kilograms, which led to 12,468 less sheep being loaded on the boat. I'll be looking forward to an answer to that question and how that came about in the fullness of time.

Answer:

The letter dated 13 June 2020 from Deputy Secretary David Hazlehurst to Rural Export and Trading (WA) Pty Ltd (RETWA) states on page 20 that:

"I have decided that it is necessary to impose a further condition to ensure that the sheep exported on the voyage should be no more than 50kg in weight, thus further mitigating the risk of heat stress."

The condition in the exemption attached to that letter was that:

"The two sheep types described as wethers and with a proposed average weight (no curfew) of 54.00 and 53.00 kg in Appendix 3 on page 9 of the 'June 2020 Animal Welfare Management Plan MV Al Kuwait (LNC 11558)' dated 11 June 2020 and submitted by RETWA to the Department (**The Management Plan**), are to be removed from the consignment prior to its departure."

The two lines as described above in the Management Plan totalled 11,285 head of sheep.

The direction to RETWA from First Assistant Secretary Melissa McEwen issued on 14 June 2020 repeated the condition in the exemption and clarified that the exporter could redraft those lines and export any lighter sheep, stating that:

"For the avoidance of doubt, sheep may be redrafted such that their average weight is no more than 50kg."

RETWA informed the department on 14 June 2020 that it had completely removed those lines of sheep from the consignment.

implemented and effective as required by the importing country. Citrus Australia has claimed that departmental auditors are overzealous when they audit against those requirements. It is a concern that the department takes seriously and is currently working on with the horticulture industry, and Citrus Australia specifically, to look at alternative ways of gaining the necessary assurance that all importing country requirements are met before issuing export certification. The Export Control Act 2020 will provide greater legislative flexibility and further opportunities for the department and industry to innovate and demonstrate compliance through outcomes based management systems, use of novel technology and other mutually beneficial solutions.

It is government policy to cost recover the cost of export regulatory activity. The need for this function is created by export of goods and it is unreasonable to expect the general taxpayer to fund them. Since horticulture fees were last set in 2015-16, citrus exports have grown by over 20% by volume; and this is primarily due to growing exports to the highly regulated Chinese market. The fees charged by the department reflect the cost of providing this system – and are set in consultation with relevant stakeholders. The department continues to work with industry to explore mechanisms to reduce the cost of the required regulatory oversight of the export process.

- 3 (a) The Department of Agriculture, Water and the Environment (the department) utilises every opportunity to work with the horticulture industry to advance agricultural export interests.

The process of horticulture market access prioritisation is initially industry-led through the Horticulture Innovation Australia Limited Trade Assessments Panel (TAP) process. Industry participants submit market access applications for assessment by the TAP. If approved as an industry priority, applications enter the relevant export market TAP 'pool'.

Applications should demonstrate export readiness, broad industry support, and a clear, evidence-based technical position supporting the preferred trade pathway.

Applications need to be approved by the TAP as an industry priority and enter the relevant export market pool before the department actively considers and commences market access negotiations for that commodity and market.

Due to the state-based nature of the Australian potato industry and the differing pest and disease status between them, a number of state specific market access applications have been approved by TAP for both ware and seed potatoes. South Australia and Victoria achieved access to the Indonesian market for seed potatoes in 2018. When negotiations for this access began, Tasmania was invited to participate in the process. However it was not in a position to provide the required evidence-based technical information to support a market access request.

This is why, in 2018, the Tasmanian Fruit & Vegetable Export Facilitation Group received grant funding from the department under the Package Assisting Small Exporters (PASE) to deliver a technical and business case to support Tasmanian seed potato access to Indonesia. The PASE project served to strengthen the evidence base for a future TAP application for Tasmanian seed potatoes to access the Indonesian market.

Provision of the grant funding did not commit the department to any timeframes or outcomes with respect to seed potato market access to Indonesia.

The TAP application was approved and entered the Indonesia TAP pool in December 2019.

The application for Tasmanian seed potatoes to Indonesia will be considered for departmental prioritisation, taking into consideration other applications in the Indonesia pool and current negotiating commitments.

3. (b) Market access to Thailand for Australian persimmons (utilising the irradiation treatment pathway), is an integral component in the strategy to expand market access for additional horticultural crops which are reliant on air freight.

Persimmons was a test case to demonstrate proof of concept for this phytosanitary treatment pathway to Thailand, in particular given its limited season and export volumes. It demonstrated to Thailand Australia's capacity to effectively treat and export irradiated fruit consistent with Thai requirements. Trade has occurred, with all product sold at a premium price.

Negotiations are ongoing to expand the irradiation treatment pathway for Thailand to include additional commodities such as strawberries, cherries and table grapes.

Australian table grape and citrus exports are well diversified with access to 49 and 39 markets respectively, including Thailand and all major trading partners, using a wide range of phytosanitary treatment options. The department continues to pursue market improvements for both commodities to Thailand and other markets.