

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 3

Division/Agency: Agricultural Policy Division

Topic: Minister support of roadshows

Proof Hansard page: 20

Senator CAMERON asked:

Senator CAMERON: Minister, does the minister support these roadshows and this expenditure of public money?

Senator Ruston: I would have to take that on notice, Senator. I have not had a discussion with Minister Joyce on this.

Answer:

The Grains Research and Development Corporation (GRDC) is responsible for determining the most appropriate use of its funds consistent with the relevant regulation and funding agreements. The GRDC's sponsorship of grains industry discussion forums is consistent with its obligations under the *Primary Industries Research and Development Act 1989*.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 4

Division/Agency: Agricultural Policy Division

Topic: Backpacker tax

Proof Hansard page: 30

ACTING CHAIR asked:

ACTING CHAIR: What are the average earnings of the backpackers? Do we know? I am sure the industry would have some figures.

Ms Freeman: I do not know. I would have to take that on notice.

Answer:

Tourism Research Australia (within Austrade) receives information via the International Visitors Survey. They advise that Working Holiday Makers engaged in work earn an average of AUD\$13 347 per annum (as at 30 June 2016).

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 5

Division/Agency: Agricultural Policy Division

Topic: Backpacker tax

Proof Hansard page: 33

Senator CAMERON asked:

Senator CAMERON: Can you outline the process of consultation that took place between the minister and the industry before this decision was made?

Senator Ruston: I am unaware of the consultation process that took place with the minister and industry.

Senator CAMERON: Do you know if there was any consultation?

Senator Ruston: I would have to take that on notice and ask the minister. I have only been involved in it since—

Answer:

The then Minister for Tourism and International Education held an industry roundtable on 21 March 2016 to canvass industry views.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 6

Division/Agency: Agricultural Policy Division

Topic: Backpacker tax

Proof Hansard page: 34

Senator CAMERON asked:

Senator CAMERON: So the minister did not give you any instructions. Did you provide any advice to the minister about the implications of this backpacker tax?

Ms Freeman: We have provided a range of facts and figures in relation to our knowledge of numbers of visa holders under different categories, for example. So we have been providing information.

Senator CAMERON: I am not asking you what advice you provided the minister, but when did you first start providing advice to the minister on this issue?

Ms Freeman: I would have to take that on notice, but the comment I would make is, obviously, as Senator Sterle commented, employment in the agricultural sector is an ongoing issue, particularly for the horticultural sector. We would provide not infrequently statistics and information to ministers' offices in relation to this. The point I am genuinely trying to make is that we would often provide information of this nature to the office.

Senator CAMERON: I am not asking what advice you provided, but have you provided advice in relation to the implications of increasing tax on backpackers on the productivity of the industry?

Ms Freeman: I would have to take that on notice, but my suspicion is probably, specifically to that question, no.

Answer:

The personal income tax changes to tax residency rules for temporary working holiday makers measure was developed as part of the 2015-16 Budget process. The Department of Agriculture and Water Resources routinely provides advice to government to support Budget processes.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 7

Division/Agency: Agricultural Policy Division

Topic: Backpacker tax

Proof Hansard page: 38

Senator CAMERON asked:

Senator CAMERON: I just want to continue on this tax issue. Labor would have supported this on the basis that due diligence would have been done on the decision. We were not in government at the time. The decision was made. We would have expected due diligence to have been done. Senator Ruston, what due diligence did Minister Joyce undertake to ensure that this decision would not disproportionately affect the industry?

Senator Ruston: I will have to take that on notice.

Senator CAMERON: Are you aware if there was any due diligence done at all?

Senator Ruston: I was not around at the time in my current capacity, so I would not be aware of anything that occurred as to the minister's involvement in that process. I would have to take that on notice.

Answer:

The personal income tax changes to tax residency rules for temporary working holiday makers measure was developed as part of the 2015-16 Budget process and was considered in accordance with established budget processes.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 8

Division/Agency: Agricultural Policy Division

Topic: Backpacker tax

Proof Hansard page: 38

Senator CAMERON asked:

Senator CAMERON: Then, Ms Freeman, did you have any discussion with ABARES on the implications for the economic wellbeing of the industry arising from this tax decision?

Ms Freeman: I would have to take that on notice.

Mr Quinlivan: I think that is the same question we answered a little while ago; I think Ms Freeman said we had provided quite a lot of information to ministers and to various interdepartmental processes on this, over the last—

Senator CAMERON: I am not asking about the minister; I am asking about how the department internally dealt with what people are saying is a huge threat to the industry—that is what I am trying to deal with.

Ms Freeman: I would have to check on a case-by-case basis; there is engagement with ABS [ABARES] on a regular basis on a range of issues across the divisions and, on this particular one, I would have to take it on notice.

Answer:

Staff in the Agricultural Policy Division did not have a specific discussion with ABARES as part of the 2015-16 Budget process in regards to the personal income tax changes for temporary working holiday makers.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 9

Division/Agency: Agricultural Policy Division

Topic: Southern Cross University

Proof Hansard page: 46-47

Senator SIEWERT asked:

Senator SIEWERT: Exactly. Isn't this university the one that is in his electorate? Southern Cross—is that not in the minister's electorate?

Ms Freeman: It is located in Lismore.

Senator SIEWERT: Is that in his electorate or just outside his electorate?

ACTING CHAIR: Where is Lismore?

Senator SIEWERT: Lismore is northern New South Wales. When was that decision made?

Ms Freeman: I can actually tell you that.

ACTING CHAIR: Sorry, Senator Siewert, I still do not understand what that all meant. If you could follow that up for us, please do.

Ms Freeman: I would have to take it on notice, but I think the decision was probably made by the minister in January, from my recollection. I beg your pardon; I am getting confused. The minister announced on 14 April that Southern Cross University would be delivering the program.

Answer:

Lismore is located in the Electorate of Page. The Deputy Prime Minister's electorate is New England.

The Minister for Agriculture and Water Resources, the Hon. Barnaby Joyce MP, announced that Southern Cross University would deliver the co-operatives pilot program on 14 April 2016.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2016

Agriculture and Water Resources

Question: 10

Division/Agency: Agricultural Policy Division

Topic: Pilot program at Southern Cross University

Proof Hansard page: 48

ACTING CHAIR asked:

ACTING CHAIR: I want to come back to you, Ms Freeman: how did this pilot program end up at Southern Cross?

Senator SIEWERT: The minister asked for it.

ACTING CHAIR: You mentioned a lot of bureaucratic processes.

Ms Freeman: When the program was announced, RIRDC was engaged to do some extensive industry consultation and come up with a program framework. In October last year, the minister asked Mr Hogan to assist him and provide advice on this measure, and Mr Hogan undertook an extensive consultation process of his own.

He had provided his report to the minister just prior to Christmas—again, that was all tabled in the QONs—on where he thought Southern Cross University may have merit potentially, and the minister asked us to investigate that.

ACTING CHAIR: An extensive consultation process.

Ms Freeman: We are happy to provide you with details of consultation that has been undergone, but a lot of that was provided in the QONs from February estimates.

Answer:

It was a decision of government that Southern Cross University deliver the Farm Co-operatives and Collaboration pilot program. The department ensured that:

- the grant approval process for Southern Cross University adhered to the mandatory requirements of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the Commonwealth Grants Rules and Guidelines (CGRGs)
- the proposed expenditure would be a proper (efficient, effective, economical and ethical) use of relevant money
- the proposal had the appropriate policy, legislative and constitutional authority.

Question: 10 (continued)

The program design process involved extensive consultation with farmers and key stakeholder groups, through roundtables and direct dialogue, from July 2015 up until the approval of the grant on 18 April 2016. This information was provided in answers to Questions on Notice from the Additional Estimates hearings held in February 2016 (QoNs 5, 6 and 13).