

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Innovation and Science Portfolio  
2016-17 Supplementary Budget Estimates  
20 October 2016

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**DEPARTMENT:** DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

**TOPIC:** CRC for Northern Australia

**REFERENCE:** Written Question – Senator Carr

**QUESTION No.:** SI-123

1. Regarding the development of a Northern Australia CRC bid in 2014:
  - a. At what date were former NFF president David Crombie and former Elders managing director Mike Guerin attached to the bid?
  - b. Was the Department involved at all in the selection of the bid leaders for this proposed CRC?
  - c. Was this development within the formal CRC round process?
  - d. Did the Department have any involvement in helping advance an invitational bid?
    - i. If so, what was the nature of this involvement?
    - ii. What was the extent of involvement of the Minister and his office?
  - e. Was an application made to Round 17?
    - i. If no bid was brought forward, why not?
    - ii. If a bid was submitted, why did it not proceed?
2. Regarding the Government's announcement on 18 June 2015 about the CRC for Northern Australia, to be established in Townsville:
  - a. Who was now leading the bid? Who else was in the bid team?
  - b. What happened to Mr Crombie and Mr Guerin?
  - c. Did the Department have any communication with Mr Crombie and Mr Guerin about the new arrangements? If so, when? What was the nature of these communications?
  - d. Did the Minister or his office have any communication with Mr Crombie and Mr Guerin about the new arrangements? If so, when? What was the nature of these communications?
  - e. Who appointed Mr Wharton?
    - i. Under what process was Mr Wharton appointed?
    - ii. Was there any public consultation?
    - iii. Did other candidates have the opportunity to nominate? If so, who else nominated?
    - iv. If a selection was made from an internal short-list, who else was on the short-list?
  - f. Who selected Townsville as the preferred site?
    - i. Under what process was Townsville selected?
    - ii. Was there any public consultation?
    - iii. Did other cities have the opportunity to nominate? If so, which other cities nominated?
    - iv. If a selection was made from an internal short-list, which other cities were on the short-list?
  - g. Was this development within the formal CRC round process?
3. Please specify all work undertaken by Mr Wharton relating to the CRC, including timelines, the nature of work and the parties consulted.
  - a. Please specify all supporting work undertaken by the Department relating to the CRC.
  - b. Please advise the cost of these activities to date.

- c. What reporting has Mr Wharton provided to the Department or the Minister on this work? Please provide a copy of interim and final reports.
4. Please provide specific details of decisions made and advice provided by the CRC Advisory Committee to the Department or the Minister regarding the CRC for Northern Australia since September 2013.
5. What reporting has the Department provided to the Minister on progress since September 2013? Please provide copies.
6. Has the Department made any assessment of the effect on research and business confidence in the CRC program of the delay in proceeding with the CRC for Northern Australia? If so, please provide this assessment.
7. When does the Government anticipate that the CRC for Northern Australia will be established?
  - a. Who will be on its Board?
  - b. Who will make these appointments?
  - c. Who will be its executive officers?
  - d. Who will make these appointments?
  - e. What will be its budget?
  - f. What will be its specific functions?
  - g. What will be its governance arrangements?
  - h. Who has made these decisions and under what process?
  - i. What scrutiny will the Parliament have of its composition and proposed functions prior to the commencement of operation?

## ANSWER

1.
  - a. The department was aware of a potential CRC focussing on issues in northern Australia in 2014 known as Northern Agriculture CRC (also referred to as the Northern Agribusiness CRC, AgNorth and finally growNORTH). Mr David Crombie and Mr Mike Guerin were involved with the growNORTH proposal. The department is not aware when Mr Crombie or Mr Guerin became involved in the collaboration.
  - b. No.
  - c. The growNORTH consortium advised the department of its intention to submit an application in the 17<sup>th</sup> CRC selection round.
  - d. i) – ii) The department was not involved in developing the proposal and was not advised of any involvement by the then Minister or his office.
  - e. i – ii) No application was made. The 17<sup>th</sup> CRC selection round was not open to new applications.
2.
  - a. The White Paper on Developing Northern Australia, released 18 June 2015, announced the Government's intention to establish a CRC for Developing Northern Australia. There is no bidding consortium for the CRC.
  - b. Mr Crombie and Mr Guerin were not involved in the CRC for Developing Northern Australia.
  - c. The department did not have any communication with Mr Crombie or Mr Guerin about arrangements for the CRC for Developing Northern Australia.
  - d. The then Minister for Industry and Science met with Mr Crombie on 10 July 2015 to inform him that the Government was considering establishment options for the CRC for

Developing Northern Australia and that he would appoint an interim chair to lead the process.

- e. i) – iv) Mr John Wharton AM was appointed as interim chair of the CRC by the then Minister for Industry, Innovation and Science using executive power. This did not involve public consultation or a nomination process.
  - f. i) – iv) The Government selected Townsville as the preferred location for the CRC following advice from Mr Wharton. Consultation on the location was undertaken as part of the broader consultation process on establishment options for the CRC.
  - g. No.
3. Mr Wharton provided strategic direction to the process to establish the CRC; communicated the objectives of the CRC to key stakeholders; worked with a facilitator engaged by the Commonwealth to assist in establishing the CRC; identified options for the administrative headquarters for the CRC; and delivered to the Minister a proposal to establish the CRC consistent with the requirements of the White Paper on Developing Northern Australia and the CRC Programme. Around 600 representatives of industry, government and research organisations were involved in the consultation process. Mr Wharton’s role commenced on 12 November 2015 and concluded on 31 July 2016.
- a. The department provided administrative and secretariat support to Mr Wharton, including travel and meeting arrangements and provision of advice on the CRC Programme.
  - b. Mr Wharton was paid \$86,762.24 (GST inclusive) in fees and travel incidentals and a superannuation contribution of \$7,605.11. The department arranged and paid travel and accommodation expenses for Mr Wharton of \$27,325.64 (GST inclusive). The department engaged Bendelta Pty Ltd to assist Mr Wharton with business facilitation services. Details of the contract are available on AusTender (CN3320725).
  - c. Mr Wharton provided monthly activity reports to the department as required by the terms of his contract. Mr Wharton provided advice to the then Minister on 15 April 2016 on the proposed location for the CRC’s administrative headquarters and provided his proposal to the Minister on 5 August 2016. The proposal is before the Government.
4. The CRC Advisory Committee provided advice to the department on the alignment of Mr Wharton’s proposal to the objectives of the CRC Programme. The department conveyed this advice to the Minister.
5. The department has provided reporting by way of ministerial briefing to the Minister on the CRC for Developing Northern Australia since it was announced in June 2015.
6. No.
7. a. – g. This matter is before the Government.