

# Chapter 3

## Agriculture and Water Resources portfolio

3.1 This chapter highlights the key issues discussed during the hearing for the Agriculture and Water Resources portfolio on 9 February 2016.

3.2 The committee heard from the divisions of the Department of Agriculture and Water Resources (the department) and portfolio agencies in the following order:

- Meat and Livestock Australia Limited;
- Rural Industries Research and Development Corporation;
- Cotton Research and Development Corporation;
- Grains Research and Development Corporation;
- Fisheries Research and Development Corporation;
- Australian Fisheries Management Authority;
- Australian Grape and Wine Authority;
- Australian Pesticides and Veterinary Medicines Authority;
- Horticulture Innovation Australia Limited;
- Plant Health Australia;
- Animal Health Australia;
- Australian Livestock Export Corporation Limited;
- Australian Meat Processor Corporation;
- Corporate divisions [Finance and Business Support; Corporate Strategy and Governance; Information Services; Service Delivery; Office of the General Counsel];
- Australian Bureau of Agricultural and Resource Economics and Sciences;
- Outcome One divisions [Farm Support; Sustainable Agriculture, Fisheries and Forestry; Agricultural Policy; Trade and Market Access];
- Outcome Two divisions [Exports; Biosecurity Animal; Chief Veterinary Officer; Biosecurity Plant; Australian Chief Plant Protection Officer; Compliance; Biosecurity Policy and Implementation]; and
- Outcome Three divisions [Water Policy; Murray-Darling Basin Authority].

3.3 Landcare Australia Limited was called to appear but released during the course of the hearing without providing evidence

### **Meat and Livestock Australia Limited (MLA)**

3.4 The committee traversed a variety of topics with MLA, including the current and predicted states of the domestic and export markets, as well as the agency's relationship with the peak industry councils. Officials also provided an analysis of current beef and lamb prices, and information on the broader issues surrounding productivity and the critical mass of the beef herd.<sup>1</sup>

### **Rural Industries Research and Development Corporation (RIRDC)**

3.5 Following a similar line of questioning from previous estimates, senators queried officials on the details of the potential relocation of RIRDC to Wagga Wagga. In addition to clarifying timelines and the potential of the hub and spoke model for the agency, discussion also took place on the government's decentralisation policy more generally.<sup>2</sup>

3.6 The committee also discussed the 2015 research undertaken by RIRDC on cooperatives and the potential of collective bargaining, and sought information on how the government intended to move forward with the cooperatives program noted in the Agricultural Competitiveness White Paper.<sup>3</sup>

### **Cotton Research and Development Corporation (CRDC)**

3.7 Senators inquired into the research priorities and five year strategic plan of CRDC, as well as the extent of collaborations between the agency and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). The potential effects of CSIRO job losses on this partnership were also raised during this discussion.<sup>4</sup>

### **Grains Research and Development Corporation (GRDC)**

3.8 The committee queried officials on the agency's sponsorship of the 2016 Global Food Forum to be held in Melbourne, seeking details on the exact nature of the sponsorship package and the benefits to be gained by GRDC.<sup>5</sup>

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1 *Proof Hansard*, 9 February 2016, pp 2-17.

2 *Proof Hansard*, 9 February 2016, pp 17-22, 30-35.

3 *Proof Hansard*, 9 February 2016, pp 24-30.

4 *Proof Hansard*, 9 February 2016, pp 35-37.

5 *Proof Hansard*, 9 February 2016, pp 38-43.

3.9 Senators also requested information on the staffing profile and professional development activities of the agency, with officials undertaking to provide on notice details on training sessions for the senior leadership group.<sup>6</sup>

### **Fisheries Research and Development Corporation (FRDC)**

3.10 FRDC officials provided the committee with further information on the proposed relocation of the agency away from Canberra, outlining the potential benefits of being located in regional Australia and the possible impact on staffing levels.<sup>7</sup>

3.11 The committee also received details on the proposal that FRDC be responsible for the costs of Australia's membership to various regional fishery organisations, and the impact this would have on the agency's budget.<sup>8</sup>

### **Australian Fisheries Management Authority (AFMA)**

3.12 The committee raised matters relating to the activities of the Geelong Star trawler, querying officials on the recent albatross deaths and the subsequent actions taken by AFMA to minimise the risk of further wildlife interactions. Officials provided information on the levels of observer coverage employed and the mitigation strategies and limits currently in place for the vessel.<sup>9</sup> The committee also discussed the Australian plan of action for seabirds in relation to trawling activities more generally.<sup>10</sup>

### **Australian Grape and Wine Authority (AGWA)**

3.13 AGWA officials provided the committee with an update on the activities of the agency in its first 18 months of operation. The committee posed questions relating to the marketing expenditure of AGWA, and received information on the current growth and trends in the Australian wine industry export market, particularly in regard to the United Kingdom, the United State of America, and Asia.<sup>11</sup>

### **Australian Pesticides and Veterinary Medicines Authority (APVMA)**

3.14 The committee requested details on the number of applications received for the registration of veterinary chemical products, and also inquired into the ongoing court case and other matters related to the agency's interpretation of legislation

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6 *Proof Hansard*, 9 February 2016, pp 44-49.

7 *Proof Hansard*, 9 February 2016, pp 50-52, 54-55.

8 *Proof Hansard*, 9 February 2016, pp 52-53.

9 *Proof Hansard*, 9 February 2016, pp 55-65

10 *Proof Hansard*, 9 February 2016, pp 66-67.

11 *Proof Hansard*, 9 February 2016, pp 67-2.

pertaining to the use and disclosure of confidential commercial information when assessing applications.<sup>12</sup>

3.15 Officials also discussed the potential relocation of the agency to Armidale, the projected impacts of the abolition of the APVMA advisory board, and various matters relating to a global shortage of a vaccine for the equine herpes virus. Senators also sought clarification on the superbug MCR-1 and the use of the Colistin antibiotic.<sup>13</sup>

### **Horticulture Innovation Australia Limited (HIAL)**

3.16 The committee canvassed a number of issues with HIAL, including the sweet potato levy framework and the funding and market access challenges facing cherry growers. Following on from a line of questioning employed at the 2015-16 Supplementary Estimates hearing, senators sought an update on the case of funds misappropriated by a former employee, and questioned officials on the lessons the agency had learnt from the incident.<sup>14</sup>

### **Plant Health Australia**

3.17 Plant Health Australia officials presented evidence illustrating how the agency is tackling issues of plant biosecurity and fruit fly management, noting efforts to establish a fruit fly council. Senators also received clarification on the cost-benefit considerations that led to the decision of the agency not to relocate to premises with Animal Health Australia.<sup>15</sup>

### **Animal Health Australia**

3.18 The committee queried officials on the decision of the agency not to relocate in conjunction with Plant Health Australia, as well as the new lease arrangements now in place. Senators also sought information on the decision not to transfer National Livestock Identification System Limited from MLA to Animal Health Australia.<sup>16</sup>

### **Australian Livestock Export Corporation Limited (LiveCorp)**

3.19 The committee received an update on the Livestock Global Assurance Program, including details on the aims of the program and the projected timeline for discussions with industry.<sup>17</sup>

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12 *Proof Hansard*, 9 February 2016, pp 72-75.

13 *Proof Hansard*, 9 February 2016, pp 75-87.

14 *Proof Hansard*, 9 February 2016, pp 87-90.

15 *Proof Hansard*, 9 February 2016, pp 90-92.

16 *Proof Hansard*, 9 February 2016, pp 92-93.

17 *Proof Hansard*, 9 February 2016, pp 93-94.

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## **Australian Meat Processor Corporation (AMPC)**

3.20 AMPC provided an overview of recent changes to the board, as well as details on the current strategic plan of the organisation. In particular the senators sought an understanding of AMPC stakeholder requests for greater scientific inputs towards addressing issues such as food safety, product development, market access and industry and environmental sustainability.<sup>18</sup>

### **Corporate Divisions**

3.21 This session encompassed Finance and Business Support, Corporate Strategy and Governance, Information Services, Service Delivery, and the Office of the General Counsel.

3.22 The committee received a detailed update on the implementation of recommendations from the 2015 review conducted by Ernst and Young into the department's handling of freedom of information requests.<sup>19</sup>

3.23 Department officials also provided information on the reasons behind the abolition of the National Rural Advisory Council (NRAC), with senators seeking clarification on the practical implications arising from the merging of the functions of NRAC with the Agricultural Industry Advisory Council.<sup>20</sup>

3.24 The progress of the implementation of the Agricultural Competitiveness White Paper initiatives was also discussed, with particular reference to the transitional loan program, drought concessional loans, and pest and weed programs.<sup>21</sup>

## **Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)**

3.25 The committee engaged in a brief discussion over the research ABARES is undertaking on productivity in the agricultural, fishery and forestry sectors.<sup>22</sup>

### **Outcome One Divisions**

3.26 The scope of Outcome One is as follows:

More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and

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18 *Proof Hansard*, 9 February 2016, pp 94-96.

19 *Proof Hansard*, 9 February 2016, pp 96-99.

20 *Proof Hansard*, 9 February 2016, pp 99-104.

21 *Proof Hansard*, 9 February 2016, pp 105-106.

22 *Proof Hansard*, 9 February 2016, pp 106-109.

initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.<sup>23</sup>

3.27 This session encompassed the Farm Support division, the Sustainable Agriculture, Fisheries and Forestry division, the Agricultural Policy division, and the Trade and Market Access division.

3.28 The committee sought details on the Regional Forest Agreements in operation in Tasmania and Victoria, receiving details on the independent review results, as well as the discussions currently being held with state governments on the future of the agreements.<sup>24</sup>

3.29 Senators also queried officials on the funding specifics of the Farm Household Allowance Program, the department's priorities for developing a formal agricultural productivity work plan, and work being done in relation to a Californian ban on imported kangaroo products.<sup>25</sup>

3.30 The committee inquired into the role of five new agricultural counsellors to be stationed in Vietnam, Malaysia, the Middle East, China and Thailand, and received an update on the uptake of drought concessional loans and drought recovery concessional loans. Broader discussions on Commonwealth drought-related programs also traversed the eligibility criteria for the Drought Communities Program, as well as the Rural Financial Counselling Service.<sup>26</sup>

## **Outcome Two Divisions**

3.31 The scope of Outcome Two is as follows:

Safeguard Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.<sup>27</sup>

3.32 This session encompassed the Exports division, the Biosecurity Animal division, the Chief Veterinary Officer, the Biosecurity Plant division, the Australian Chief Plant Protection Officer, the Compliance division, and the Biosecurity Policy and Implementation division.

3.33 The committee engaged officials in an in-depth discussion on the particulars of the equine herpes virus, receiving an explanation from the Chief Veterinary Officer

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23 Agriculture and Water Resources Portfolio Additional Estimates Statements 2015-16, p. 32.

24 *Proof Hansard*, 9 February 2016, pp 109-112.

25 *Proof Hansard*, 9 February 2016, pp 112-116.

26 *Proof Hansard*, 9 February 2016, pp 116-126.

27 Agriculture and Water Resources Portfolio Additional Estimates Statements 2015-16, p. 32.

on the impact of the disease, as well as further information on the status of the supply of the vaccine in Australia. In this context, the committee also inquired into the broader issues surrounding vaccine importation, including the influence of commercial priorities.<sup>28</sup>

3.34 Senators also posed questions on the progress of the regulatory and non-regulatory reform options the department is considering to improve the management of imported food under the Imported Food Inspection Scheme to ensure food safety outcomes. This line of questioning followed the committee's interest in the topic in the wake of the 2015 outbreak of the hepatitis A virus linked to contaminated frozen berries sourced from China. The committee also briefly asked after the department's engagement with their state counterparts and other relevant government agencies in light of the recent salmonella outbreak connected to fresh lettuce leaves.<sup>29</sup>

3.35 The committee inquired into matters surrounding the importation of bee semen, seeking clarification on the department's policies and the biosecurity risks associated with the importation of the product. The committee heard details on the methods and goals of bee semen importation, with officials noting the process is aimed at improving the genetics of the bee population, thereby creating better disease and mite resistance.<sup>30</sup>

3.36 Officials furnished the committee with information relating to the department's response to allegations of cruelty to greyhounds in Macau outlined in a media investigation. A progress update on the current investigation into Serana Propriety Limited was also provided, with the committee receiving further clarification on the challenges inherent in the work.<sup>31</sup>

### **Outcome Three Divisions**

3.37 The scope of Outcome Three is as follows:

Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.

3.38 This session encompassed the Water division and the Murray-Darling Basin Authority.

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28 *Proof Hansard*, 9 February 2016, pp 126-128.

29 *Proof Hansard*, 9 February 2016, pp 130-134.

30 *Proof Hansard*, 9 February 2016, pp 134-135.

31 *Proof Hansard*, 9 February 2016, pp 135-139.

3.39 The chair made a statement on issues relating to the northern development water resource, and senators indicated they would place all further questions on notice.<sup>32</sup>

**Senator the Hon Bill Heffernan**  
**Chair**