

## 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 28 February 2017.

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:

- Australian Wool Innovation Limited;
- Australian Fisheries Management Authority;
- Dairy Australia Limited;
- Fisheries Research and Development Corporation;
- Australian Pesticides and Veterinary Medicines Authority;
- Corporate Divisions [Finance and Business Support; Corporate Strategy and Governance; Information Services; Service Delivery; Office of the General Counsel];
- 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; Murray-Darling Basin Authority].

3.3 The Australian Bureau of Agricultural and Resource Economics and Sciences was called to appear but released during the course of the hearing without providing evidence.

#### **Australian Wool Innovation Limited (AWI)**

3.4 Australian Wool Innovation Limited (AWI) commenced its appearance with the positive news of an industry in good shape. Officials noted that over the past 12 months there had been a price increase of 22 per cent. Other topics covered in this session included staffing and where they were located, the cost of the 2015 WoolPoll, and the cost and outcome of AWI's 2015–16 organisational restructure.<sup>1</sup>

3.5 In relation to the restructure, the committee queried how AWI arrived at the redundancy package which included generous ex gratia payments given to a number of former employees. Senators raised concerns that these generous packages were paid by a corporation which is largely funded by levy payers.<sup>2</sup>

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1 *Proof Hansard*, 28 February 2017, pp. 5–9.

2 *Proof Hansard*, 28 February 2017, pp. 10–12, 23–26.

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

3.6 The committee queried whether the Australian Fisheries Management Authority (AFMA) had made money from collecting permit fees from people fishing in the economic exclusion zone off Norfolk Island. AFMA clarified there had not been any money collected through royalties or permits to fish in the area since the late 1990s. AFMA advised that there was a cost-recovery fee for management services for Australian fishers to access some waters around Norfolk Island.<sup>3</sup>

3.7 Officials were also questioned about when they were made aware of the outbreak of white spot disease in prawns in the Logan River area and what actions had been taken.<sup>4</sup>

### **Dairy Australia Limited (DA)**

3.8 The committee questioned Dairy Australia (DA) on a number of topics, including its staffing levels across Australia, location of its office, and the cost, uptake and evaluation of its 'Tactics for Tight Times' and 'Taking Stock' programs.<sup>5</sup>

3.9 In response to questions regarding the location of the DA's office, officials advised that as over 60 per cent of dairy production came from Victoria, it made sense for its head office to be located in Melbourne.<sup>6</sup>

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

3.10 Fisheries Research and Development Corporation (FRDC) officials provided the committee with information on the actions they took following the outbreak of white spot disease in prawns. Along with a number of research projects, FRDC officials calculated the economic costs of the outbreak and the impact for farmers in the region as well as those outside.<sup>7</sup>

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

3.11 The committee engaged in a detailed discussion on Australian Pesticides and Veterinary Medicines Authority's (APVMA) relocation to Armidale and its impact on staffing. In regard to the shortage of regulatory scientists and despite a recruitment drive, including from overseas, officials disclosed the difficulties associated with employing suitably qualified staff with expertise in residue and pesticide assessments.

3.12 Ms Kareena Arthy, Chief Executive Officer of APVMA, stated:

One of our big gaps at the moment is in our residues assessment. These are the highly specialised people who are able to look at whether a chemical, if it is used, leaves residues either in animals or plants that people might eat. I think we are the only regulator in Australia that does this assessment. At the

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3 *Proof Hansard*, 28 February 2017, pp. 26–28.

4 *Proof Hansard*, 28 February 2017, pp. 28–32.

5 *Proof Hansard*, 28 February 2017, pp. 17–21.

6 *Proof Hansard*, 28 February 2017, pp. 17–18.

7 *Proof Hansard*, 28 February 2017, pp. 32–33.

moment we are down to half strength in that team and we are trying very hard to recruit into there. It is not causing an issue right now, but it will in the next few months.

We are also understaffed in our pesticides assessment area. They are the people who actually make the final decision. Unfortunately, we have had several very experienced people leave and so we are in the middle of recruiting there as well. They are our main gaps at the moment and we have also got some gaps around our environmental assessment and health assessment. It is mainly residues and our pesticides area.<sup>8</sup>

3.13 Of the 48 staff who left, 35 had been on-going, full-time permanent staff and 13 had been non-ongoing or casual staff. Among the 35 permanent staff who left were two SES officers, 11 EL2s, eight EL1s and 14 APS officers. In the interim, APVMA has moved resources around to fill the most critical gaps. This has included recruitment of new staff on short term contracts with the view to invest in their training should they relocate to Armidale.<sup>9</sup>

3.14 The committee also inquired about the decline in APVMA's December performance and the impact on sectors that rely on APVMA's timely assessment of agricultural-veterinary products. Despite an improved overall performance, Ms Arthy noted APVMA's performance was held back by a significant drop in its pesticides approvals. The committee was informed that this had been anticipated due to the loss of a number of key people from the organisation as well as staff on scheduled leave.<sup>10</sup>

### **Corporate Divisions**

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

3.16 The committee discussed the reasons why staff at the department voted against the department's enterprise agreement for the fourth time.<sup>11</sup> There was also a discussion about the department's high level of unscheduled absences, the drivers behind them, and the types of measures used to manage the issue.<sup>12</sup>

### **Outcome One Divisions**

3.17 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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8 *Proof Hansard*, 28 February 2017, p. 45.

9 *Proof Hansard*, 28 February 2017, pp. 43–48.

10 *Proof Hansard*, 28 February 2017, p. 43.

11 *Proof Hansard*, 28 February 2017, pp. 71–72.

12 *Proof Hansard*, 28 February 2017, pp. 71–72.

initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.<sup>13</sup>

3.18 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.

3.19 The committee sought information on extensions to Regional Forest Agreements in operation in Tasmania and Victoria. Officials provided details on the consultation process with the Victorian government which resulted in a 13 month extension. Officials were asked about the implications to threatened species and old growth forest.<sup>14</sup>

### **Outcome Two Divisions**

3.20 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>15</sup>

3.21 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.

3.22 Continuing with its questioning on the outbreak of white spot disease, the committee asked officials for a detailed overview of the white spot outbreak. Detection of the outbreak, the timing of advice to the Secretary and to respective ministers, as well as the responses and investigations that followed were explored for much of this session.<sup>16</sup>

3.23 At the outset, the department cautioned that the source of the outbreak may never be known and reiterated that the disease has no human health implications. The department also advised there were two separate issues—one related to the suspension of imported uncooked prawns and the other to the outbreak of white spot in the Logan River area.<sup>17</sup>

3.24 During the session's discussion on uncooked imported prawns, the committee inquired about the illegal importation of prawn feed, non-compliance by prawn importers, and any consequential contamination of local prawn populations. Officials were queried about the types and outcomes of investigations carried out by the

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13 Agriculture and Water Resources Portfolio Additional Estimates Statements 2016–17, p. 4.

14 *Proof Hansard*, 28 February 2017, pp. 75–79.

15 Agriculture and Water Resources Portfolio Additional Estimates Statements 2016–17, p. 4.

16 *Proof Hansard*, 28 February 2017, pp. 80–119.

17 *Proof Hansard*, 28 February 2017, p. 81.

department, including by its compliance area, the department's inspection processes, and the competence of biosecurity officers.<sup>18</sup>

3.25 The committee requested that the department supply it with all the information related to the outbreak of white spot disease that the department has in its possession.<sup>19</sup> The committee has since agreed to extend the deadline for the production of these documents with three specific timeframes.

### **Outcome Three Divisions**

3.26 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.<sup>20</sup>

3.27 This session encompassed the Water Division and the Murray-Darling Basin Authority (MDBA).

3.28 The committee discussed the Murray-Darling Basin Plan. Senators inquired into its socioeconomic impacts, the transitional funding for four states worth a total of \$100 million,<sup>21</sup> and the department's consultation with stakeholders, including irrigators, farmers and environmentalists.<sup>22</sup>

3.29 The committee also sought information from the department about the Northern Basin review prepared by the the MDBA. In particular, officials were questioned about the Northern Basin Aboriginal Nations' input and how much of the report's recommendations took into account Indigenous communities' cultural and environmental views on water usage.<sup>23</sup>



**Senator Barry O'Sullivan  
Chair**

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18 *Proof Hansard*, 28 February 2017, pp. 81–101.

19 *Proof Hansard*, 28 February 2017, p. 96.

20 Agriculture and Water Resources Portfolio Additional Estimates Statements 2016–17, p. 4.

21 The split of the \$100 million between the four states was later corrected from \$25 million each to \$33 million to NSW, \$25 million each to Victoria and South Australia, and \$15 million to Queensland. See 'Letter of correction to evidence provided by the Department of Agriculture and Water Resources on 28 February 2017', received on 22 March 2017. Available at [http://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/rtratctte/estimates/add1617/ag/index](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/rtratctte/estimates/add1617/ag/index).

22 *Proof Hansard*, 28 February 2017, pp. 119–121.

23 *Proof Hansard*, 28 February 2017, pp. 122–123.

