

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 4

Division: Agricultural Productivity Division

Topic: APVMA's overall costs and funding sources.

Proof Hansard page: 32-33 (29/05/2014)

Senator BACK asked:

Senator BACK: You think that is more relevant. The other question I do want to ask in this regard, whether it is in this policy area or whether it is in the APVMA itself, is: I am interested in knowing what proportion of APVMA's overall costs are recovered from industry and what proportion of APVMA's overall costs are actually derived from appropriations. Can you tell me that?

Mr Koval: During the reform process that has gone on for the last couple of years we provided APVMA some \$8 million just for the reform process. In terms of recurrent appropriation outside that, the vast majority of their funding is from industry. We provide them, this year \$142,000 or \$143,000 to assist them in the minor use work they do. Out of their \$30 million-odd, \$143,000 comes from us.

Senator BACK: Could you repeat those figures?

Mr Koval: APVMA's budget is in the order of \$30 million a year. We provide them \$143,000 or \$142,000 in appropriation to do minor use work.

Senator BACK: Out of that \$30 million?

Mr Koval: Out of that \$30 million.

Senator BACK: Perhaps you could take this on notice for me, but \$142,000 out of \$30 million is obviously a drop in the ocean. I do not know what it would be percentage-wise, do you? Senator Heffernan is not here with his calculator but it would only be a very small percentage, one per cent, I would think.

Answer:

In 2014-15 Government funding is forecast to be 2.9 per cent of the Australian Pesticides and Veterinary Medicines Authority's total income, with revenue from industry forecast at 96.5 per cent and other income forecast at 0.6 per cent of total income.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 5

Division/Agency: Agricultural Productivity Division

Topic: Mushroom levy

Proof Hansard page: 37 (29/05/2014)

Senator O'SULLIVAN asked:

Senator O'SULLIVAN: When was there last an increase in the levy for mushrooms?

Mr Koval: I would have to take that on notice; I cannot recall. I will take that one on notice.

Answer:

The levy rate has not been changed since 1 January 2002 when it was established at \$2.16 per kilogram of mushroom spawn produced or purchased for use in the production of *Agaricus* mushrooms.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 6

Division/Agency: Agricultural Productivity Division

Topic: Scientific evidence which does not support GM

Proof Hansard page: 42-43 (29/05/2014)

Senator LINES asked:

Senator LINES: I do indeed but you started with a very long preamble, let's not believe that there is no damage from asbestos, and your own PM ridiculed a mesothelioma sufferer. You give it and you take it, Senator Edwards. Moving right along. I appreciate the department is ethical and is committed to GM policy, but I think you would accept that there are still others in the scientific world and others who contest the benefits of GM.

Mr R Clark: Absolutely, yes.

Senator Colbeck: I am not sure so much in the scientific world, I have to say.

Senator LINES: If you are going to say that, I will ask you to do some research and I do not really want to put the department to that.

Senator Colbeck: I will do some research, Senator Lines. I think that is fair. But I have not come across—

Senator LINES: So I will ask the department to provide us with some scientific papers that question the validity of genetically modified—

Senator Colbeck: I have not come across a credible scientific institute globally that does not support GM.

Senator LINES: I am asking the department on notice to provide us with scientific evidence where the GM issue is contested. So, moving on to my next question, if you can take that on notice unless you can give us some now.

ACTING CHAIR: What is your question on notice? Let's be clear, because I am not.

Senator LINES: My question on notice is following on from the parliamentary secretary's assertion that there is no scientific evidence which disagrees with the science of GM. I suggest there is and I am asking the department to take on notice to provide us with some scientific evidence which does not support GM. I am sorry to have to do that to you, but I am not going to cop an assertion made by a parliamentary secretary which is flawed.

Question: 6 (continued)

Answer:

The Health portfolio has primary responsibility for the regulation of genetically modified (GM) crops and foods through the Office of the Gene Technology Regulator (OGTR) and Food Standards Australia New Zealand (FSANZ).

FSANZ monitors the scientific literature and other information about the safety of GM foods. FSANZ will analyse new information to determine if there is a need to review previous safety assessments on approved GM foods. FSANZ may also respond to new information on GM foods, or the technology in general, if it causes significant public concern or if the information is relevant to FSANZ's safety assessment approach. A list of studies claiming adverse effects and FSANZ's response can be found on the agency's website at www.foodstandards.gov.au/consumer/gmfood/adverse/Pages/default.aspx.

The Department of Agriculture understands that the overwhelming majority of scientific evidence world-wide has not identified any safety concerns associated with GM crops and foods.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 7

Division/Agency: Agricultural Productivity Division

Topic: APVMA role as a regulator

Proof Hansard page: 32 (29/05/2014)

Senator BACK asked:

Senator BACK: From a productivity point of view, I want to go to some questions regarding the APVMA. I am interested to know: in its role as a regulator, how does it perform its role compared to the equivalent agencies in other countries such as New Zealand, Canada, United Kingdom, United States, Western Europe?

Mr Koval: With the APVMA, it depends on how you look at the comparison. There was an International Federation of Animal Health study that came out last year, which we have spoken about in this committee previously, and APVMA have provided comments on it previously. That study found that there is room for improvement amongst international regulators of animal health.

Senator BACK: They had in fact declined, had they not, from a previous reporting period? They had declined, as I recall, at that particular time too.

Mr Koval: That is right. That report was not necessarily comparing apples with apples, if you pardon the pun. There are some differences between how different jurisdictions or different countries actually report on that. It was reported by industries themselves. We have not done a direct comparison on performance, say, between length of time between a chemical being registered in Australia versus Europe or somewhere else. We are happy to take on notice and see what metrics we can do around that for you, if that is of particular interest.

Answer:

A direct comparison of the Australian Pesticides and Veterinary Medicines Authority's (APVMA) performance with its equivalent overseas agencies is not currently available.

International benchmarking is complex because of differences in the regulatory framework across international jurisdictions. A key area of difference is that the APVMA's role is performed in a model which centralises assessment and registration of agricultural chemicals and veterinary medicines in one agency with national jurisdictions. Other comparable countries may have a number of agencies involved in managing pesticide or veterinary medicines, each with responsibility for different aspects of their regulatory framework. Further, the Australian

Question: 7 (continued)

legislative framework is centred on consideration of the risks associated with the statutory criteria relating to human and environmental safety, efficacy and trade. Other comparable countries have different considerations they must take into account.

The APVMA will work with the Department of Agriculture to investigate whether there are measures that could be used to provide a meaningful basis for international comparisons.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 8

Division/Agency: Agricultural Productivity Division

Topic: Government agencies or RDCs relocating

Proof Hansard page: 11 (29/05/2014)

Senator STERLE asked:

Senator STERLE: In relation to which government agencies or RDCs has a conversation been had by Minister Joyce about possible relocation or decentralisation from Canberra?

Dr Grimes: I think that goes to matters of advice. I would be happy to take the matter on notice; I think it would be appropriate for me to take that on notice. As the parliamentary secretary has indicated, no decisions have been taken by the government on these matters.

Senator STERLE: Dr Grimes, I fully understand and I appreciate—and these are not painted on; I did hear that very clearly. But, in all fairness, I do not see what the government has to hide. The government made it very loud and clear—

ACTING CHAIR: I think the secretary has answered your question; he has said he will take it on notice.

Senator STERLE: Chair, I am not accepting that that is a reasonable answer to a very important question.

ACTING CHAIR: You have made your point and he has said he will take it on notice.

Answer:

The government is committed to boosting jobs and strengthening communities across Australia, particularly in regional areas. One way to do this is to relocate government agencies or parts of agencies outside Canberra. The government is considering policy options in this regard, including in relation to Research and Development Corporation and has requested advice from the department and agencies.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 9

Division/Agency: Agricultural Productivity Division

Topic: Relocation of the department

Proof Hansard page: 45 (29/05/2014)

Senator LINES asked:

Senator LINES: You understand that what you were asked this morning by Labor senators was to investigate all of your areas as to whether they had been asked to relocate.

Dr Grimes: Indeed. I had responded reasonably comprehensively on the question. These are matters that the department will provide advice on.

Senator LINES: I would like the department to respond on this matter specifically. What are the discussions? Where are they up to?

Dr Grimes: As I have indicated to you I have taken on notice the question of any advice that we might be providing.

Answer:

Please see the response to Question on Notice 8 from Budget Estimates.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 10

Division/Agency: Agricultural Productivity Division

Topic: Advice on relocating

Proof Hansard page: 46 (29/05/2014)

Senator LINES asked:

Senator LINES: You have had high-level discussions. You were asked to give some estimates. Did those estimates go to relocating and staying in your current place?

Mr Harvey: They related simply to pros and cons associated with a move.

Senator LINES: And included the cost of relocation?

Mr Harvey: It included some estimates of that, yes.

Senator LINES: And rents?

Mr Harvey: I cannot remember, sorry.

Senator LINES: Did it go to the issue of staffing?

Mr Harvey: I cannot remember that sort of detail.

Senator LINES: That is something Dr Grimes has taken on notice then—with that level of detail, Dr Grimes?

Dr Grimes: I was asked: has the department been requested to provide any advice on these matters? I indicated we had been requested to provide advice. As to the details of that, I took that on notice.

Senator LINES: So that includes costs and rents—

Dr Grimes: I did not take it on notice to provide all of that information, but I took on notice the question of what advice we had been provided. I indicated at the time that there are, of course, limitations on what we can provide in the area of advice.

Senator LINES: What can we expect to come back?

Dr Grimes: We will take the question on notice and consider what we will be able to provide back to the Senate, appropriately.

Question: 10 (continued)

Senator LINES: You have just heard the questions I have asked and some of the responses. My understanding is that that advice went to some costs—rental space, relocation, those sorts of things. I am assuming we are going to get that back.

Dr Grimes: I have taken the question on notice

Answer:

Please see the response to Question on Notice 8 from Budget Estimates.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 11

Division/Agency: Agricultural Productivity Division

Topic: Consultation meeting with chief executives of rural research and development corporations

Proof Hansard page: 60 (29/05/2014)

Senator LINES asked:

Senator LINES: That was another formal consultation with the CEOs?

Mr Finney: Yes, that is correct.

Senator LINES: Do you know who was there?

Mr Finney: As was reported just then, the CEOs of each RDC bar one, as Mr Koval has noted, and Mr Koval.

Mr Tucker: The department on notice can provide the list of names.

Senator LINES: Thank you. Have you been part of informal discussions?

Answer:

The Department of Agriculture's records indicate that the following people participated in a discussion between the department and the chief executives of the rural research and development corporations from 4.30pm on Wednesday 14 May 2014:

At the department's offices

Craig Burns	Rural Industries Research and Development Corporation
Patrick Hone, Cheryl Cole, Peter Horvat	Fisheries Research and Development Corporation
Tim Lester	Council of Rural Research and Development Corporations
Matthew Koval, Barbara Jones, Kraig Lowes, Richard Webb, Vivien Thomson, Simon Veitch	Department of Agriculture

Question: 11 (continued)

By telephone

Ric Sinclair	Forest and Wood Products Australia
Deb Kerr	Australian Pork Limited
Ian Halliday	Dairy Australia
Leecia Angus	Grains Research and Development Corporation
Peta Slack-Smith	Australian Wool Innovation
Danielle McDonald	Australian Livestock Export Corporation
Stuart Thomson, Ed Parker	Grape and Wine Research and Development Corporation
Neil Fisher	Sugar Research Australia
Bruce Finney, Graeme Tolson	Cotton Research and Development Corporation
James Kellaway	Australian Egg Corporation Limited
Christine Gilbertson	Meat and Livestock Australia

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 12

Division/Agency: Agricultural Productivity Division

Topic: Minutes from meetings

Proof Hansard page: 66 (29/05/2014)

Senator EDWARDS (ACTING CHAIR) asked:

ACTING CHAIR: You meet as you are, then you meet together and then you essentially meet with the stakeholders. So there is a series of meetings which are going on in preparation for the merger.

Dr Thomson: That is correct.

ACTING CHAIR: Are minutes kept of these meetings?

Dr Thomson: Yes.

ACTING CHAIR: Are you able to make them available to the committee?

Dr Thomson: I believe so.

Answer:

The Department of Agriculture has chaired two groups of meetings in preparation for the commencement of the Australian Grape and Wine Authority (AGWA). These are meetings of the wine industry chairs, and of the Chief Executive Officers' (CEOs') Transition Committee.

There have been two meetings of the wine industry chairs. The first meeting was held on 23 April 2013 as a briefing on processes that would be required to establish the single statutory authority. No minutes were taken for this briefing. Minutes from the second meeting, which was held on 25 March 2014 are at **Attachment A**.

There have been six meetings of the CEOs' Transition Committee. The minutes of the first five meetings are at **Attachment B**. The minutes of the sixth meeting, held on 5 June 2014 are yet to be finalised.

The two statutory bodies, the Grape and Wine Research and Development Corporation and the Wine Australia Corporation have established their own committee to oversee arrangements for their two organisations to transition into AGWA on 1 July 2014. The Corporations have advised that minutes are not taken at these meetings, however, outcomes have been reported during meetings of the CEOs' Transition Committee.

Meeting Minutes

**Second Wine Industry Chairs' Meeting regarding
preparations for the establishment of the Australian Grape and Wine Authority (AGWA)**

Meeting held on 25 March 2014 at the Department of Agriculture, Canberra

Attendees:

External:	Role
Mr Rory McEwen	Chair, Grape and Wine Research and Development Corporation (GWRDC)
Mr George Wahby	Chair, Wine Australia Corporation (Wine Australia)
Mr Vic Patrick	Chair, Wine Grape Growers Australia (WGGA)
Mr Tony D'Aloisio	President, Winemakers' Federation of Australia (WFA)
Dr Stuart Thomson	Executive Director, GWRDC
Mr Andreas Clark	Acting Chief Executive, Wine Australia
Mr Lawrie Stanford	Executive Director, WGGA
Mr Paul Evans	Chief Executive Officer, WFA
Mr Peter Gniel	General Manager, Government Affairs, WFA
Departmental:	
Ian Thompson	Chair of meeting, Acting Deputy Secretary, Department of Agriculture
Melinda Hashimoto	Adviser to Minister
Peter Ottesen	Assistant Secretary, Crops, Horticulture and Wine Branch
Sally Standen	Assistant Secretary, Deregulation and Portfolio Strategies Branch
Matt Ryan	Assistant Secretary of Cost Recovery and Funding Analysis Branch
John Power	Director, Wine Policy and Industry Codes
Kraig Lowes	Director, R&D Policy and Governance
Matthew Stephenson	Director, External Budgets
Megan McIntyre	Assistant Director, Executive Secretariat and Appointments
Gary Fan	Assistant Director, Wine Policy and Industry Codes
Justine Gilbert	Policy officer, Wine Policy and Industry Codes

Apologies:	
Mark Tucker	Deputy Secretary, Department of Agriculture (chair of first meeting)

Item 1: Welcome and introductions

The chair welcomed all to the meeting and noted that its purpose was to provide an update on progress to establish AGWA and allow for questions to be raised. The chair confirmed that all were happy with the agenda. Departmental staff introduced themselves.

Item 2: Summary of the process to date

Peter Ottesen advised that the department has been pleased with the commitment of the four organisations and the progress to date, to establish AGWA.

Peter noted the good communication that has occurred throughout the process including through:

- the establishment of a chief executives’ committee of the statutory bodies, industry bodies and departmental staff which has met five times; and,
- the establishment of a merger management committee between the two statutory bodies.

Item 3: Deregulation agenda

The chair noted that while the department has pursued deregulation over the last 20 years the government is particularly focussed on removing unnecessary red tape. The chair explained that each government department has set up a deregulation unit.

Sally Standen detailed the government’s deregulation agenda which is being coordinated through the Department of the Prime Minister and Cabinet to ensure a whole-of-government approach.

The deregulation agenda update included the following:

- The government is committed to cut red tape by \$1 billion per year and processes have been established for portfolios to pursue this target vigorously and transparently.
- The government is considering existing regulations and where reductions may be possible.
- Wine Australia has a minor regulatory role (which will be assumed by AGWA) and is therefore captured under the deregulation agenda.
- Any regulation proposed for the future will need to address a clear need and to be offset by a reduction elsewhere in the portfolio.
- Proposals for new regulations will now require a regulation impact statement (RIS). The RIS process is facilitated by the Office of Best Practice Regulation, which should be consulted on any grey areas of proposals.
- The department’s deregulation unit has six staff. The current priority is to complete a stock take of all regulation and audit all regulatory mechanisms.
- Deregulating agricultural industries is challenging as many have already been deregulated.

- The department's largest regulatory footprint is at the border. Generally, this regulation is considered necessary for biosecurity purposes. However, the department seeking to identify where efficiencies can be found.
- The government has a "repeal day" scheduled for 26 March 2014. This will involve the repeal of unnecessary legislation and include the department's Agricultural and Veterinary Chemicals Bill that is expected to result in a reduction in regulatory compliance to industry of \$450,000. A second repeal day will be held in October 2014.
- All ministers must have a Ministerial Advisory Council to advise on the deregulation agenda. The Agricultural Industry Advisory Council will perform this role.

Tony D'Aloisio asked whether offsets could be found outside the portfolio.

- Ms Standen confirmed it is possible but that it has not been tested and noted that other departments may not be willing to give up offsets.

Paul Evans asked whether a voluntary, industry code of conduct would be included in the agenda.

- The deregulation agenda includes all Australian Government imposed regulations, including voluntary codes.

Lawrie Stanford advised that the wine sector has plans regarding biosecurity and asked about the consultation requirements.

- Ms Standen advised that the new guide for regulation identified four types of consultation depending on sensitivity, including: full consultation, targeted consultation, confidential consultation and post-decision consultation.

Rory McEwen asked whether the regulation stock take would include state and local government regulation, and whether time burden is considered.

- Ms Standen advised that only Commonwealth regulations are included, though if Federal legislation requires state and territories to enforce regulations this will be included.
- The amount of time required to comply with regulations is being considered.

Item 4: Timetable for the establishment of the new authority

Peter Ottesen provided an update on the establishment of AGWA, noting that several processes are running in parallel but the department is confident the tasks will be achieved by 1 July 2014.

Peter Ottesen's update included that:

- The minister has appointed Mr Dennis Mutton as presiding member of the Authority Selection Committee. The other members are expected to be appointed by 28 March 2014.
- The director positions are being advertised for two weeks and close on 28 March 2014.
- The selection committee process is expected to be finished by the end of April 2014.
- The minister requested suggestions from the representative organisations on suitable persons for the role of chair. The legislation provides that the minister must consult the

representative organisations before appointing the chair and will shortly be considering who to appoint.

- The director and chair positions are “significant” appointments and will need to be approved by the prime minister and may be considered by Cabinet. This process can take several weeks (minimum 15 working days).
- The department is confident that appointments will be made by 1 July 2014 but due to the tight timeframe, may not be made much earlier.
- The minister is able to engage appointed directors as consultants before 1 July 2014. This will depend on timing of the appointments.
- The minister has requested new remuneration determinations from the Remuneration Tribunal for the AGWA positions. The department has been advised that this will be considered at next meeting of the Tribunal. A response is expected by mid-late April 2014.

Megan McIntyre added:

- The chief executive appointment is also a significant appointment and would need the approval of the prime minister and possibly Cabinet.
- The minister will need a minimum of five days to consider the director appointments before seeking the prime minister’s approval. The minister will consider the need for diversity of directors including gender and geographic distribution.

Tony D’Aloisio asked about whether the chair would be involved in the selection committee process given that the chair appointment is running in parallel.

Paul Evans noted that the selection committee would not be able to consider the complementary skill set of the board if the chair is not known.

- Peter Ottesen said the department is aware of this but must continue with the processes.

Lawrie Stanford questioned the outcome if a chief executive was not appointed.

- Peter Ottesen advised that AGWA could appoint an acting chief executive for three months without needing the prime minister’s approval.

Item 5: Update on transition activities of Wine Australia and GWRDC

Andreas Clark addressed the transitional activities including that:

- There has been smooth progress to wind-up Wine Australia and GWRDC and prepare for the new authority.
- The chief executives of the statutory authorities have provided updates to the chief executives committee.
- A merger management committee has been established by the two statutory bodies and it is overseeing the necessary tasks. (A spreadsheet was provided at the meeting detailing various activities and indicative timing in the lead up to 1 July 2014).
- The statutory authorities are confident that AGWA will be operational on 1 July 2014 and able to pay and receive money etc.

- Some decisions will not be possible before 30 June 2014.

Mr Clark gave an update on reporting, including that:

- The new board with sign off on financial statements.
- The drafting of annual reports has commenced for both corporations.
- The statutory authorities are working on a portfolio budget statement (PBS) submission.
- A new annual operational plan (AOP) is not required for either statutory authority.
- AGWA will develop an interim corporate plan and AOP by 30 September 2014.
- The statutory authorities intend to have drafts of the various documents ready for consideration by the AGWA board.

Rory McEwen noted that:

- GWRDC intends to leave no surprises or unfinished business and is confident this will be the case.
- Stuart Thomson and Ed Parker have done a great job and morale and productivity have been maintained throughout the process.

Stuart Thomson noted that:

- GWRDC is working through all files, combining finances and developing a budget (expected by 31 March).
- Critical tasks relating to finance, human resources, government and legal areas are on track.

George Wahby noted that:

- Wine Australia has developed a preliminary budget and is ready to sit down with GWRDC to discuss it.
- Need to ensure all aspects are put in to place effectively.

Peter Ottesen asked a question about staff morale:

- GWRDC has engaged an external consultant and conducted team-building exercises. Morale is good.
- Andreas Clark noted that the fact the organisations are co-located, established relationships exist, and the organisations have informal social gatherings which help keep morale high.

Item 6: Corporate reporting/ financial statements

Matthew Stephenson addressed this issue, noting that:

- Andreas Clark touched on the reporting requirements of both organisations under Item 5.
- The External Budgets team of the department coordinates the PBS and works with the chief financial officers of both organisations.

- Kate Harvey from GWRDC has been nominated to assess the budget requirements for AGWA.
- The department is in the process of coordinating the outcome statement requirement and will work with Kate Harvey to ensure it is met.

Tony D'Aloisio asked about the forward estimates.

- Mr Stephenson advised that the figures are for the next three years and that next year's estimates will be more concrete.
- Any new funding would need to be considered in the next budget, and cannot advise on the outcome of budget funding requests.

Item 7: Other business

Andreas Clark asked Kraig Lowes about statutory funding agreements (SFA).

- Mr Lowes advised that SFAs extend to AGWA and will need to be in place by 2015/16.

The issue of levy collection costs was raised. Matt Ryan provided a summary of the situation and answered various questions raised by the statutory and industry bodies. Mr Ryan advised that the department would:

- make a position paper on cost recovery available for comment on the website;
- provide activity data to the Wine Australia consultant
- work with Wine Australia on limiting costs where possible for the rest of 2013-14.

Meeting Close

The chair closed the meeting and advised that any further questions should be directed to Peter Ottesen.

Wine Industry CEOs' Transition Committee

Key Outcomes from Teleconference of Tuesday 11 June 2013

No.	Item topic	Outcome
1.	Welcome and introductions.	A preference to keep the committee restricted to the four CEOs wherever possible was stated.
2.	Confirmation of Terms of Reference.	The committee agreed to the Terms of Reference.
3.	Discussion of legislative timetable and exposure draft.	<p>The committee noted the concerns raised by DAFF about the short timeframe within which to consult on the exposure draft of the Bill and the written commitment by the Minister to consult with industry members, particularly in the Riverland region of South Australia.</p> <p>The committee suggested that Mr Jim Caddy, Chairman of CCW Cooperative Ltd in the Riverland, could attend the one-day exposure draft consultation (held on Wednesday 12 June 2012) as a means to allay concerns about the consultation process and the content of the draft Bill. This was agreed by DAFF.</p>
4.	GWRDC-Wine Australia merger transition plan.	<p>It was noted that Stuart Thompson and Andrew Cheesman have met and agreed on the framework of the plan.</p> <p>It was agreed that GWRDC and Wine Australia will provide a draft plan within a fortnight (by 25 June 2013).</p>
5.	Maternity leave provisions.	It was agreed that the new authority can deal with this issue and that current arrangements will be transferred to the new authority.
6.	Name of the new authority.	It was agreed that the name of the new authority will be the "Grape and Wine Authority".
7.	Levy payer requests to trigger an Annual General Meeting of the new authority.	It was agreed that an Annual General Meeting of the new authority will be held if a meeting is requested by either: the Winemakers' Federation of Australia or Wine Grape Growers Australia; or if 10 levy payers request a meeting.
8	Other business.	It was agreed that the current ability of Wine Australia Corporation to request a change in

		levies should not be transferred to the new authority. It was agree that the next meeting of the Chairs of the four industry organisations should be held in approximately one-month.
--	--	--

Wine Industry CEOs' Transition Committee

Key Outcomes from Teleconference of Friday 30 August 2013

No.	Item topic	Outcome
1.	Welcome and introductions.	<p>Participants in the teleconference were:</p> <ul style="list-style-type: none"> • Peter Ottesen – DAFF (Chair) • Paul Evans – WFA • Stuart Thomson – GWRDC • Andrew Cheesman – Wine Australia • Andreas Clark – Wine Australia • Kieran Macdonell – DAFF • Lee McLean – DAFF • Lawrie Stanford -WGGA
2.	Update on the progress of the Bill and election timing.	<p>Peter Ottesen noted that the Bill has been prorogued and will need to be reintroduced into the new Parliament, regardless of which party forms government. Peter reiterated that DAFF will work to have the Bills reintroduced as soon as possible, but noted that a new government will have other legislation which may take priority.</p> <p>Peter suggested that if the Bill passes through Parliament by March 2014 there will be enough time to ensure the new authority can commence operations on 1 July 2014.</p> <p>It was also noted that the broad principle with regard to transitional arrangements is that outstanding liabilities will be transferred to the new entity.</p>
3.	GWRDC-Wine Australia merger transition plan	<p>Stuart Thomson provided Peter Ottesen with a high-level transitional plan at the start of the meeting, which provides an overview of a more detailed plan developed by GWRDC and Wine Australia over recent months.</p>

		<p>GWRDC and Wine Australia noted their transitional plan was based primarily on a 150 day from commencement timeline and as such advised it would be preferable for legislation to be passed 150 days prior to the proposed merger date of 1 July 2014 to assist the transition process.</p> <p>They anticipated that the 'eligible directors, provided for in the Bill, will conduct a search and decide on a CEO. The existing Boards will still make all decisions relation to their respective organisations up to 30 June 2014.</p>
4.	When should the next Chair's forum be held?	It was agreed that it would be premature to hold a second Chairs' forum until after the election and there is a greater understanding of the next Minister's priorities. Therefore, it was decided that we should aim to hold the next Chairs' forum in December 2013.
5.	Other business: Next meeting	<p>GWRDC noted it has several concerns about potential inconsistencies in the Bill that may need consideration by the new Authority.</p> <p>It was agreed that the next CEOs meeting should be held in late October 2013, pending relevant developments.</p>

Wine Industry CEOs' Transition Committee

Key Outcomes from Meeting/Teleconference of Wednesday 20 November 2013

No.	Item topic	Outcome
1.	Welcome and introductions.	<p>Participants in the teleconference were:</p> <ul style="list-style-type: none"> • Peter Ottesen – DAFF (Chair) • Paul Evans – WFA • Stuart Thomson – GWRDC • Andreas Clark – Wine Australia • Lawrie Stanford -WGGA • Kieran Macdonell – DAFF
2.	Agreement of minutes from 2 nd meeting	The minutes were agreed subject to some minor amendments.
3.	Update on the progress of the Bill	Peter Ottesen noted that the Bills were introduced on 14 November. The Bills are awaiting debate in a busy legislative schedule but was still confident the legislation will

		<p>be passed during the course of this sitting period. The Department will keep everyone informed of progress.</p> <p>Peter Ottesen outlined that once the Bills are passed there is a range of activities that we will progress with the Minister as a priority. This includes:</p> <ul style="list-style-type: none"> • Declaring WGGGA as a representative organisation for the purposes of the legislation and the new Authority. • Appointing a presiding member of the selection committee and in consultation with industry putting the full committee in place. • Seeking a new remuneration tribunal determination for the Chair and directors of the new Authority.
4.	Overview of the rural research and development Bill	<p>Peter Ottesen outlined the changes in the recently introduced R&D Bill that relate to the new Authority. An overview document was circulated which highlighted the key changes.</p> <p>The only concern raised was that the R&D Bill provided the opportunity for R&D organisations to potentially also take on marketing functions in the future.</p> <p>While the new Authority will already have these functions, WFA and WGGGA would like the next letter from the Minister on merger issues to clearly state that levies can only be altered with the agreement of industry, after thorough consultation (and where appropriate a vote) with levy payers, and then subject to agreement by the Government and Parliament.</p> <p>The Department agreed to include such words at the next opportunity.</p>
5.	GWRDC-Wine Australia merger transition plan	<p>Stuart and Andreas provided an overview of the latest activities surrounding the transition process. They noted that a detailed plan was in place, but it was in too great a detail for distribution at this stage. They noted that a merger committee was being established that would meet regularly and they would put together a high level document with key performance indicators that would be more suitable to circulate.</p>
6.	When should the next Chair's forum be held?	<p>It was agreed that the next Chair's meeting should take place in late January/ early February 2014 once the Bills had passed and there was some certainty over the transition road map.</p>
7.	Other business: Next meeting	<p>It was agreed that the next CEOs meeting should be held in January 2014, once the passage of legislation was settled, but</p>

before the planned Chair's meeting.

Wine Industry CEOs' Transition Committee

Key Outcomes from 4th Meeting/Teleconference of Thursday 6 February 2014

No.	Item topic	Outcome
1.	Welcome and introductions.	<p>Participants in the teleconference were:</p> <ul style="list-style-type: none"> • Peter Ottesen – Dept. Ag. (Chair) • Paul Evans – WFA • Stuart Thomson – GWRDC • Andreas Clark – Wine Australia • Lawrie Stanford -WGGA • John Power – Dept. Ag. • Megan McIntyre – Dept. Ag. • Gary Fan – Dept. Ag. (observer) • Justine Gilbert – Dept. Ag. (observer)
2.	Agreement of minutes from 3 rd meeting	The minutes were agreed to.
3.	Update on the progress of merger activities	<p>Peter confirmed that WGGA is now a declared organisation alongside WFA. The Minister signed the declaration on 17 January 2014.</p> <p>Peter noted that the Minister has written to the Chairs of the four wine organisations outlining his expectations and next steps for the merger.</p> <p>Peter confirmed that the Minister will accept selection committee nominations and chair recommendations from WGGA and WFA at any time, until 28 February.</p> <p>Stuart raised a question about whether the consultant's selection of the Authority's CEO is considered as "binding" the Authority.</p> <p>ACTION 1 <i>The department to provide advice on this question</i></p> <p>It was explained that the Presiding Member will be appointed by the minister following briefing from the department on possible persons. These are usually independent persons with</p>

		<p>prior experience.</p> <p>Megan McIntyre explained that admin support for the selection committee is arranged by the Presiding Member. The department will recommend that the Presiding Member meet with the two statutory authorities and discuss an indicative budget for this process.</p> <p>Peter advised that the timing for appointments will not be fast. The Prime Minister's approval will be required for the Chair and director appointments. It is possible that these will also be referred to Cabinet. Megan McIntyre advised that at least three weeks are allowed between the Minister writing to the Prime Minister and receiving a response.</p> <p>Peter noted that the organisations will be meeting with the Minister in the coming months and may flag the merger processes with him.</p> <p>Peter advised that the Minister will be writing to the Remuneration Tribunal shortly seeking new determinations. Peter noted that WFA has written to the Remuneration Tribunal and that the legislation provides that directors of the Authority are part-time offices.</p>
4.	Update on the progress of the GWRDC-Wine Australia merger transition plan	<p>Stuart noted that the summary that was circulated to participants on 3 February outlined the progress that has been made on the transition, including the establishment of a Merger Management Committee.</p> <p>Stuart and Andreas reported that they are happy with the progress to date and that there has been good cooperation between GWRDC and Wine Australia.</p> <p>Staff communication has been a focus for both organisations.</p> <p>Peter noted that an Enterprise Agreement would be required for the Authority.</p> <p>Peter also noted that any tasks such as preparation of annual reports and auditing that could be brought forward prior to the merger would be useful. Andreas noted that he would keep this in mind though it could be difficult to bring forward processes that would usually be carried out at a later date.</p> <p>Stuart noted that GWRDC has had discussions with the ANAO regarding auditing with the intention to ensure comfort for the new board.</p> <p>Lawrie noted that WGGGA is pleased that GWRDC has kept it in the loop on merger matters.</p>

5.	<p>Update on next Chairs' meeting</p> <p style="text-align: center;">ACTION 2</p>	<p>Peter confirmed that Mark Tucker has emailed the Chairs regarding the next Chairs meeting on 25 March 2014.</p> <p>The organisations requested that a meeting room be booked for the Chairs following the meeting.</p> <p><i>The department to arrange this.</i></p> <p>It was confirmed that the Chairs' meeting will be face-to-face and that the CEOs will also be attending in person.</p>
6.	<p>Other business: Next meeting</p> <p style="text-align: center;">ACTION 3</p>	<p>It was agreed that the next CEOs meeting should be held prior to the 25 March Chairs' meeting.</p> <p><i>The department will coordinate with the CEOs to organise this meeting.</i></p> <p>It was agreed that CEOs meetings should be held every 4-6 weeks until 1 July 2014.</p>

Wine Industry CEOs' Transition Committee

Key Outcomes from 5th Meeting/Teleconference of Thursday 20 March 2014

No.	Item topic	Outcome
1.	Welcome and introductions.	<p>Participants in the teleconference were:</p> <ul style="list-style-type: none"> • Peter Ottesen – Dept. Ag. (Chair) • Paul Evans – WFA • Andreas Clark – Wine Australia • Ed Parker – GWRDC • Lawrie Stanford –WGGA • Kraig Lowes – Dept. Ag. • Megan McIntyre – Dept. Ag. • Gary Fan – Dept. Ag. (observer) • Justine Gilbert – Dept. Ag. (observer) <p>Apologies</p> <ul style="list-style-type: none"> • Stuart Thomson – GWRDC (Stuart attempted to participate via a second phone line but was unable to). • John Power – Dept. Ag.
2.	Agreement of minutes from 4 th meeting	The minutes were agreed.
3.	Update on next Chairs' meeting	<p>Peter gave an overview of what was on the agenda for discussion at the upcoming chairs' meeting and asked if anyone had anything else to add.</p> <p>Paul indicated that WFA would be raising the issue of levy collection costs under "other business."</p> <p>Peter confirmed that everyone would be attending. All confirmed.</p>
4.	Update on the progress of merger activities	<p>(Ed Parker joined the meeting in Stuart's absence)</p> <p>Megan gave an update on the appointments processes:</p> <ul style="list-style-type: none"> - The department has received all chair suggestions and

		<p>expects to advise the minister next week for a decision by mid-April.</p> <ul style="list-style-type: none"> - The prime minister’s approval will be sought on the chair. - Chair appointment hoping to be finalised by late May. - The minister still needs to formally appoint the selection committee members. This is intended to be done by 28 March in time for the closing of director applications. <p>Megan clarified the timing allowances for the prime minister’s approval. i.e minimum of 15 working days.</p> <p>Lawrie asked for confirmation that there is an overlap between the chair and director appointments and asked whether industry should be indicating that chair candidates should also apply for director positions in the event they are not successful for the chair position.</p> <p>Megan and Peter confirmed this would be appropriate.</p> <p>Peter advised that the department has sought advice from the Remuneration Tribunal which expects the authority’s determinations for the selection committee, chair and board will be discussed at its next meeting. The department expects to be advised of the determinations in mid-late April.</p>
5.	Update on the progress of the GWRDC-Wine Australia merger transition plan	<p>Andreas and Ed provided an update.</p> <p>Andreas confirmed that the statutory bodies are working through the various items on the transition plan and remain confident that the organisation will be operational on 1 July.</p> <ul style="list-style-type: none"> - Able to pay bills/receive money etc. <p>It was noted that there would still be longer-term work beyond 1 July but these would require decisions of the board, e.g. the new website.</p> <p>Ed confirmed that staff will have a desk, computer, log-on and that finance systems will be integrated.</p> <p>Both corporations agree that things are on track.</p> <p>Peter queried the intention for branding to be linked to a decision of the CEO and questioned whether it should be the board’s decision.</p> <p>Andreas clarified that this branding is the government brand.</p> <p>Ed indicated that brainstorming of branding options could commence so that ideas could be presented to the new</p>

		<p>board for its consideration.</p> <p>It was noted that auditing is captured under “Accounting” in the transition plan and that an audit committee is expected to be created.</p> <p>Ed noted that GWRDC is taking a “soft-close” approach to auditing and that it is a work-in-progress.</p> <p>Peter queried the progress of annual reports.</p> <p>Ed confirmed that the reporting processes were being conducted as usual, however, much of the report requires financial details which are not finalised until August.</p> <p>It was confirmed that the two organisations are preparing as much as possible to assist the new authority.</p>
6.	<p>Other business: Next meeting</p> <p style="text-align: right;">ACTION 1</p>	<p>It was agreed the next meeting would be held after the selection committee process is completed. i.e. early May.</p> <p>Department to organise the next meeting.</p>

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 13

Division/Agency: Agricultural Productivity Division

Topic: Levies

Proof Hansard page: 37 (29/05/2014)

Senator STERLE asked:

Mr Koval: I am not aware of the number of mushroom enterprises that voted; but, of those who voted, 75 per cent of the enterprises said yes. I could find out the actual number for you, if you would like; all three of them?

Senator STERLE: Yes, please; all three. I am a little bit concerned, because in the beef industry—say if MLA wanted to change the way they do the R&D or the levy—they have to have 75 per cent of members vote.

Answer:

1. For the mushroom levy changes at ballot, 46 mushroom grower enterprises voted and of these 33 votes were in favour, 11 votes were opposed and there were two informal votes. There was a high rate of participation in the ballot of 68 per cent (46 actual grower votes versus 68 eligible grower voters).

A number of major producers have formally and publicly indicated their support for the levy proposal. They are listed in the Australian Mushroom Growers Association (AMGA) (the peak industry body) levy submission and are among the largest producers. Combined, they represent over 40 per cent of Australian *Agaricus* mushroom production. Additionally data from AMGA, indicates that at least 53.7 per cent of the industry's levy collections are received from growers who have declared their support for the AMGA's levy proposal.

2. For the onion levy changes at ballot, 45 onion grower enterprises voted. Of these:

- 20 votes were in favour of an increase in the research & development component of the levy/export charge, and a decrease in the National Residue Survey levies, 18 were opposed and there were 7 informal votes.
- 20 votes were in favour of a new marketing component of the levy/export charge, 15 were opposed and there were 10 informal votes.
- 26 votes were in favour of a new Plant Health Australia (PHA) and Emergency Plant Pest Response (EPPR) components of the levy/export charge, 11 were opposed and there were 8 informal votes.

Question: 13 (continued)

There was a low rate of participation in the ballot of 18.4 per cent (45 actual grower votes versus 244 known onion growers who received voting papers).

In addition, Onions Australia, the peak industry body, received testimonial letters from 14 major growers/packers confirming support for the proposed levy. These growers/packers represent approximately 127 900 tonne of onions or around 60 per cent of national production (214 135 tonnes).

3. For the mango levy ballot, 135 mango grower enterprises voted and of these 69 were in favour and 66 were opposed to the changes to the PHA component of the levy/charge. On a production-weighted basis (capped at 20 votes per enterprise) out of the total 381 votes, 269 were in favour and 112 were opposed to the changes to the PHA component of the levy/charge.

For the EPPR component of the levy/charge, of the 135 mango grower enterprises which voted, 74 were in favour, and 61 were opposed. On a production-weighted basis (capped at 20 votes per enterprise) out of the total 380 votes, 285 were in favour and 95 were opposed to the change to the EPPR component of the levy/charge.

There was a low rate of participation in the ballot of 18.4 per cent (135 valid grower votes versus an estimated 793 eligible voters).

A ballot proposing increases to the marketing and R&D levies on mangoes was also held. The proposal received a majority vote, though by a narrow margin. However, objections received during the formal objection period resulted in a decision by Australian Mango Industry Association (AMIA), the peak industry body, not to pursue increases to the marketing and R&D levies.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 14

Division/Agency: Agricultural Productivity Division

Topic: Boards

Proof Hansard page: Written

Senator LUDWIG asked:

1. Since September Additional Estimates in February, 2014;
 - a. how often has each board met, break down by board name;
 - b. what travel expenses are provided;
 - c. what is the average attendance at board meetings;
 - d. how does the board deal with conflict of interest;
 - e. what conflicts of interest have been registered;
 - f. what remuneration is provided to board members;
 - g. how does the board dismiss board members who do not meet attendance standards?
 - h. have any requests been made to ministers to dismiss board members since Additional Estimates in February, 2014?
 - i. please list board members who have attended less than 51% of meetings
 - j. what have catering costs been for the board meetings held this year; is alcohol served;

Answer:

Rural Industries Research and Development Corporation (RIRDC)

- a. Twice
- b. Flights, Accommodation, Taxi's, private car usage and meals
- c. 100 per cent

Question: 14 (continued)

- d. A standing agenda item at each Board meeting
- e. March – Michael Guerin’s resignation as CEO of Van Diemens Land; Michael Guerin’s appointment as Interim CEO of the AgNorth CRC

May – Roseanne Healy’s appointment as a Director to Homestart Finance
- f. As per the Remuneration Tribunal
- g. Under section 73 ‘Termination of Appointment’ of the PIRD Act only the Minister can terminate the appointment of a board member.
- h. Nil
- i. None
- j. \$368.67; no alcohol was served.

Grains Research and Development Corporation (GRDC)

- a. The GRDC Board met 2 times during the period 25 February 2014 to 30 April 2014.
- b. The travel expenses provided for Board meetings include travel, flights, mileage, allowances and expense reimbursements.
- c. Average attendance at Board meetings during the period 25 February 2014 to 30 April 2014 is set out below:

Board Meeting	Attended	Not attended
164 meeting, 8 & 9 April 2014	9	Nil
164A Out-of-Session meeting, 17 April 2014	8	1

- d. GRDC directors operate under the legislative duties relating to conflict of interest set out in the *Commonwealth Authorities and Companies Act* and under general law. The GRDC maintains a conflict of interest policy and standing register for the GRDC Board. Conflicts of interest are declared at every Board meeting and managed according to the policy.
- e. The current standing conflicts register as of Board meeting is below:

Director	Entity 1	Entity 2	Entity 3	Entity 4	Entity 5	Entity 6
Richard Clark	Director NSW Northwest Local Land Services Board	James Clark – Chair of Northern Panel				

		[Perceived direct]				
Richard Brimblecombe	Managing Director and Shareholder in Quantum Power Ltd					
Jeremy Burdon	CSIRO Fellow	Trustee, Bioversity International [part of CGIAR system]				
Jenny Goddard						
Kim Halbert						
John Harvey						
Rob Lewis	Adelaide University (Special Projects Waite Research Institute)	Australian Genome Research Facility Pty Ltd (Director)	Science Without Bounds Pty Ltd (sole Director)	Flinders University Manager Special Projects DVCR Office	Honorary Fellow SARDI	Flinders Partners Pty Ltd (Senior Advisor)
Sharon Starick	SA Murray Darling Basin Natural Resources Management Board.	Rural Business Support (Chair)				
John Woods						

- f. *Remuneration for Holders of Part-Time Public Office* as prescribed in the Remuneration Tribunal Determinations.
- g. As per the statutory powers of Section 73 'Termination of Appointment' of the PIRD Act.
- h. No.
- i. Nil
- j. Catering costs from 25 February 2014 to 30 April 2014 are \$3788 comprising of sandwiches, tea and coffee. Alcohol is not served at the Board meetings.

Wine Australia

- a. Wine Australia board has met twice since February 25th 2014. The board met on the 7th May and 17th of June
- b. Flights, accommodation and transport are provided for those board members who have to travel from interstate.

Question: 14 (continued)

- c. Average attendance is 8 board members and 3 invited guests
- d. Board Members of Wine Australia Corporation must comply with the Commonwealth Authorities and Corporations Act (CAC Act) and in particular Division 4 - Conduct of Officers.

However, pursuant to section 21 of the Wine Australia Corporation Act, for the purposes of sections 27F and 27J of the CAC Act, a Board member who is a winemaker or a grape grower is not taken to have a material personal interest in a

matter being considered or about to be considered by Wine Australia Corporation by reason only of being a winemaker or grapegrower.

- e. One conflict of interest has been registered:

Wine Australia board member is also a board member of Winemakers Federation of Australia (WFA) and Wine Australia provides funding to WFA

- f. Allowances and entitlements are paid in accordance with the Remuneration Tribunal determination for part-time officers
- g. Attendance standards etc are covered in board policies
- h. Nil
- i. Nil
- j. Nil

Grape and Wine Research and Development Corporation (GWRDC)

- a. In the period 25 February to 30 April 2014, the GWRDC Board has met once (19 March 2014)
- b. The costs of travelling to attend the meeting were met by GWRDC, including airfares, accommodation, meals and other costs.
- c. There was one apology for the 19 March 2014 meeting
- d. The Grape and Wine Research and Development Corporation has a Directors' Interests Policy which reflects the provisions of *Commonwealth Authorities and Corporations Act (CAC Act) Division 4 - Conduct of Officers*.

The Grape and Wine Research and Development Corporation maintains a register of Directors Interests and the update of Directors' Interests is a standing item at all Board and Committee meetings.

- e. In the period 25 February to 30 April 2014 the following Director's interests have been registered:
 - Mr Chris Day, has a new Board position with Burge & Rathbone Pty Ltd

Question: 14 (continued)

- f. Remuneration is paid in accordance with the determinations of the Remuneration Tribunal
- g. This situation has never arisen
- h. No
- i. One director missed the only meeting in the period
- j. Catering cost \$306.16, No alcohol served

Australian Pesticides and Veterinary Medicines Authority (APVMA)

- a. The APVMA Advisory Board has met on 13 February 2014 and 28 April 2014.
- b. Section 19 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992* provides that members are to be paid such allowances as are prescribed. Where a member is in employment of a state, then they are not to be paid allowances, but are to be reimbursed expenses reasonably incurred in performing duties as a member of the Advisory Board. The current Remuneration Tribunal determination is Determination 2013/16 'Official Travel by Office Holders' which took effect on 1 September 2013. Determination 2013/16 is applicable to Advisory Board members and sets out provisions that apply for office holders required to travel for official business away from their office locality, or home base in respect of part-time office holders. APVMA Advisory Board members are part-time office holders.
- c. Average attendance at APVMA Advisory Board meetings is 18 people. The APVMA Advisory Board has nine members. Meetings are also attended by the CEO and other senior executives of the APVMA, a representative of the Department of Agriculture and secretariat staff from the APVMA.
- d. Section 23 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992* provides that members must give written notice to the Minister for Agriculture of any direct or indirect financial interest that could conflict with the proper performance of the Advisory Board's function. The Terms of Reference for the Advisory Board also require members to sign conflict of interest declarations and then raise any potential conflicts of interest that may be identified through particular agenda items at meetings with the Chair and the APVMA CEO.
- e. No conflicts of interest have been registered since February 2014.
- f. Section 19 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992* provides that remuneration for APVMA Advisory Board members is as determined by the Remuneration Tribunal. Where a member is in the employment of a state, then they are not to be paid remuneration. The current applicable Remuneration Tribunal determination is Determination 2014/03 'Remuneration and Allowances for Holders of Part-Time Public Office' which took effect on 1 March 2014 and revokes the previous Determination 2013/11 of the same title. These determinations set out provisions for remuneration of APVMA Advisory Board members.

Question: 14 (continued)

- g. Section 24 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992* provides that the Minister for Agriculture may terminate the appointment of a Board member.
- h. No requests have been made to the Minister for Agriculture to dismiss board members since Additional Estimates in February, 2014.
- i. No APVMA Advisory Board members have attended less than 51 per cent of meetings.
- j. Catering costs for the 13 February 2014 Advisory Board meeting were \$986.00 and for the 28 April 2014 meeting were \$848.00. No alcohol was served at any of the meetings.

Cotton Research and Development Corporation (CRDC)

- a. The CRDC Board has met twice on the 24th-25th February and 29th-30th April.
- b. The CRDC Board are provided with accommodation, meals and airfares or mileage personal motor vehicle use.
- c. The CRDC board attendance is 100 per cent.
- d. The CRDC Board tables at each board meeting a list of directors' interest and any conflicts of interest arising from agenda items to be discussed at the board meeting.

e.

Board Meeting	Conflict of Interest Declared
Feb-14	Proposed research project (FRP226) includes a director's relative
	Director is the CEO for a proposed research project with PBCRC
Apr-14	Director is also Chair of the Tims Committee which has provided a report to the board.
	Proposed research project (FRP226) includes a director's relative

- f. The CRDC Board members are remunerated in accordance with the Remunerations Tribunal Part Time Officers for the Cotton Research and Development Corporation.
- g. The Primary Industries Research and Development Act 1989 in section 73 provides for the Minister to terminate a directors appointment:

73 Termination of appointment

- 1. The Minister may terminate the appointment of the Chairperson or a nominated Director:

Question: 14 (continued)

- a. for misbehaviour or physical or mental incapacity; or
 - b. if the Chairperson or nominated director:
 - i. becomes bankrupt; or
 - ii. applies to take the benefit of a law for the relief of bankrupt or insolvent debtors; or
 - iii. compounds with his or her creditors; or
 - iv. makes an assignment of his or her remuneration for the benefit of such creditors; or
 - c. if the Chairperson or nominated director, without reasonable excuse, contravenes section 27F or 27J of the Commonwealth Authorities and Companies Act 1997.
2. The Minister may terminate the appointment of the Chairperson if the Chairperson is absent, except with the leave of the Minister, from 3 consecutive meetings.
 3. The Minister may terminate the appointment of a nominated director of an R&D Corporation if the nominated director is absent, except with the leave of the Chairperson, from 3 consecutive meetings.
- h. No.
 - i. None.
 - j. Since February 25 2014, the catering cost for board meetings year to date was \$1578. Alcohol is served at board dinners or functions.

Fisheries Research and Development Corporation (FRDC)

- a. FRDC board and FARM has met:
 - 15 April FARM teleconference
 - 16 April Board meeting
 - 21 May Board meeting
- b. Cost of flights, taxis if applicable, and allowances are paid as per the remuneration tribunal 2014-03 Determination: Official Travel by Office Holders
- c. During this period:
 - Board – 90 per cent
 - FARM – 100 per cent

Question: 14 (continued)

Usually 100 per cent attendance

- d. In accordance with statutory requirements as per the CAC Act and the FRDC Board Governance policy – material personal interests.
- e. Material personal interests are declared and minuted at each board meeting, and reported in the Annual report.
- f. As Remuneration is provided as per the 2014-03 Remuneration and Allowances for Holders of Part-Time (current consolidation as at 6 May 2014).
- g. FRDC board positions are by Ministerial appointment – in the event of a director not meeting attendance standards the FRDC chair would inform the Minister through the Department of Agriculture.
- h. No
- i. Nil
- j. Catering costs for board meetings (morning tea, lunch, afternoon tea) totalled 1714.35. No alcohol is server during board meetings.

Australian Fisheries Management Authority (AFMA)

- a. Since February 2014 Additional Estimates the AFMA Commission has met twice.
- b. Remuneration Tribunal Determination 2013/16: Official Travel by Office holders details the provision that apply to AFMA Commissioners when they travel for official business away from their office locality, or home base in respect of a part time office holder. The Determination is available at <http://www.remtribunal.gov.au/media/documents/2013/compilations/travel-allowance-compilations/2013-16-determination-official-travel-by-office-holders/2013-16-Determination-26.9.2013.pdf>
- c. The AFMA Commission consists of nine members included the Chair. Since February 2014 Additional Estimates the average attendance at meetings is eight.
- d. The *Fisheries Administration Act 1991 section 20 Disclosure of Interests to Minister*, details the requirements of AFMA Commissioners with regard to Conflicts of interest. In addition the Commission has in place guidelines for Commissioners on disclosing conflicts of interest. The guidelines put in place a process to ensure that such 'conflicts are identified, disclosed and managed in a rigorous and transparent way that promotes public confidence in the integrity, legitimacy, impartiality and fairness' of the decision-making processes of the Commission.
- e. Registered conflicts relate to other state and commonwealth advisory bodies, company boards, family member associations and not for profit organisations that may have an interest or perceived interest in the management of Commonwealth Fisheries.

Question: 14 (continued)

- f. Remuneration tribunal determination 2014/03 Remuneration and Allowances for holders of part time public office sets out the remuneration payable to AFMA Commissioners. The Determination is available at <http://www.remtribunal.gov.au/media/documents/2015/2014-determinations/2014-08-principal-determination-remuneration-and-allowances-for-holders-of-part-time-public-office/2014-08-PTOH-Determination-for-1.7.2014.pdf>
- g. Section 21 of the *Fisheries Administration Act 1991* sets out the process for termination appointment of AFMA Commissioners.
- h. No.
- i. No Commissioners have attended less than 51 per cent of meetings.
- j. Total catering costs for Commission meetings held this calendar year is:

Lunch	\$870.00	No alcohol served
Dinner	\$1362.60	includes alcohol

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 15

Division/Agency: Agricultural Productivity Division

Topic: File regarding RIRDC Kangaroo R&D Program conflict of interest investigation

Proof Hansard page: Written

Senator RHIANNON asked:

1. In the Department's Indexed list of departmental and agency files (1 January 2013 – 30 June 2013) is listed the following File Number 2013/03495e: *Government Relations - Agency Liaison - Rural Industries Research and Development Corporation (RIRDC) - Governance - Kangaroo R&D Program Conflict of Interest Investigation*
 - a. What is this Conflict of Interest investigation into the governance of the RIRDC's Kangaroo R&D Program about? What is the conflict of interest, and by whom?
 - b. May I have details and copies of that file? If not, what is the process by which I may have copies of that file?
 - c. Where is this investigation up to? What is the outcome?
 - d. What recommendations have been made, and actions taken?
 - e. Does this investigation have anything to do with the Kangaroo Industry Associations of Australia's, and Lenah Game Meats' John Kelly effectively awarding himself over \$800,000 of RIRDC funding for kangaroo research projects – as revealed by answers to previous questions I have asked about this?

Answer:

The department investigated the perceived conflict of interest between the kangaroo industry representative body and Rural Industries Research and Development Corporation (RIRDC) decisions on kangaroo Research and Development project funding. The investigation concluded in July 2013, and did not identify a conflict of interest. RIRDC, not Mr Kelly, is responsible for the approval of projects to be funded. Access to this file would need to be considered as part of a formal Freedom of Information request made to the department.