

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 189

Division/Agency: Trade and Market Access Division

Topic: Who accompanied the minister on the Middle East trip and cost

Proof Hansard page: 11 (28/05/2014)

Senator STERLE asked:

Mr Glyde: Just while Ms Cale is looking for that, the minister also travelled overseas to Saudi Arabia and Bahrain, and we can also probably provide the details of who accompanied him on that trip in addition to an industry delegation.

Senator STERLE: That would be good—thank you, Mr Glyde—and any associated staff and their cost too.

Ms Cale: I do not have the detail of the cost, but I am happy to come back to the committee this morning with those details.

Answer:

1. In regard to the details of who accompanied the minister on his trip to Saudi Arabia and Bahrain, please see the response by Mr Glyde on page 22 of Budget Estimates Proof Hansard from 28 May 2014.
2. The costs for accompanying departmental officers' (Secretary, Dr Paul Grimes and Consul-Agriculture (Middle East), Dr Tony Wigg) travel and accommodation were \$15 271. In addition, the department incurred costs for official hospitality and ground transport of \$13 989 which covered the whole delegation, including the accompanying industry delegation.

Additional logistical support was provided by a Department of Agriculture officer, who was not part of the official delegation, and by Australian Trade Commission (Austrade) and Department of Foreign Affairs and Trade (DFAT) officials in Saudi Arabia.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 190

Division/Agency: Trade and Market Access Division

Topic: Korea-Australia Free Trade Agreement

Proof Hansard page: Written

Senator GALLACHER asked:

The Korea-Australia Free Trade Agreement does not address honey exports, with tariffs of 150 to 250 per cent remaining in place on Australian honey exports to Korea. Was this issue simply forgotten in the negotiations?

Answer:

This issue was not forgotten in the negotiations. Honey was one of the few agricultural products Korea identified as particularly sensitive and Korea was not prepared to provide any concession to Australia in the negotiations.

Australia pushed hard throughout the negotiations for improved access on honey, but Korea argued it needed to protect its domestic industry, particularly given its important role in supporting broader agriculture.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 191

Division/Agency: Trade and Market Access

Topic: Korea Australia Free Trade

Proof Hansard page: Written

Senator LUDWIG asked:

1. What are the thresholds in place for Farm Land and Agribusiness for Korean investment?
2. How are you implementing these thresholds?
3. Who makes the decisions? What role does the department play?
4. Have any decisions been made? If so what were the decisions?
5. Are any projects under consideration? If so, what are they?
6. Do you have records of investments below these thresholds from Korea?
7. How does the department become aware of investments above the thresholds?
8. Has the department received any advice or produced any reports or aware of any advice that foreign investment thresholds should be retained to use in the negotiating future trade deals
9. Please provide reports or data or modelling concerning the impact of foreign investment thresholds on growth in the agricultural sector

Answer:

1. Currently, proposals to acquire an interest of 15 per cent or more in a business valued at over \$248 million must be notified to the Foreign Investment Review Board.

In addition, all foreign governments, their agencies or state-owned enterprises must notify the Foreign Investment Review Board and receive an approval before making a direct investment in Australia.

When the Korea-Australia Free Trade Agreement comes into force, thresholds for investments in non-sensitive sectors will rise from \$248 million to \$1078 million. However, Australia retains the ability to screen proposed investments in agricultural land at \$15 million and agribusiness at \$53 million.

Question: 191 (continued)

- 2–5. Foreign investment is a matter for the Treasurer, the Hon. Joe Hockey MP.
6. No.
7. The Treasury consults a range of agencies on foreign investment proposals. The department is consulted on proposals which relate to portfolio industries.
8. No
9. The Department of Agriculture does not have any reports, data or modelling on this topic.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Agriculture

Question: 192

Division/Agency: Trade and Market Access Division

Topic: Kangaroo Industry

Proof Hansard page: Written

Senator RHIANNON asked:

1. In 2009 an answer to Question on Notice TMA12 regarding analysis of the kangaroo report "A Shot in the Dark" stated: *the report fails to present an objective view of the kangaroo harvesting and (kangaroo) meat export industry. Relevant Australian overseas posts, including in Brussels, Moscow and Beijing, have been provided with detailed and balanced information on the hygiene, sustainability and animal welfare practices of the kangaroo industry to respond to any approaches by host governments, industry or the public.*
 - a. May I please have a complete copy of the package of "detailed and balanced information" that was provided to "relevant Australian posts including in Brussels, Moscow and Beijing" as stated in the above answer.
 - b. If not, why not?
 - c. Who wrote each of the documents in that package of information – were they paid consultants?
 - d. If the information was commissioned by the RIRDC, were the recipients of that information made aware that the Kangaroo Industry Association of Australia effectively commissions RIRDC reports, given that the KIAA effectively dictates the terms of RIRDC activities by "[identifying] a range of priority R&D programs and projects which will benefit the industry... and will "add significant value to the industry and its profitability" as stated in the EM for the Primary Industries Levies and Charges Regulation (No.10) 2003 No.289.

Answer:

- 1.a and b. The information contained in the package provided to relevant Australian posts was previously provided in answer to Question 49, Agricultural Productivity Division from the Supplementary Budget Estimates hearing in November 2013.
- 1.c. The information was prepared by Australian Government agencies, State regulatory authorities and Australian industry representatives.
- 1.d. The information was not commissioned by Rural Industries Research and Development Corporation.