

# Chapter 2

## Agriculture portfolio

2.1 This chapter outlines the key issues discussed during the 2015-16 Budget Estimates hearings for the Agriculture portfolio.

### Department of Agriculture

2.2 The committee heard evidence from the Department of Agriculture (the department) and agencies on 25 and 26 May, meeting for a total of 19 hours and 36 minutes.

2.3 On 25 May 2015, the committee heard from the divisions and agencies of the Agriculture portfolio in the following order:

- Finance and Business Support Division, Governance Branch, Information Services Division, Service Delivery Division, Office of the General Counsel;
- Biosecurity Animal Division;
- Biosecurity Plant Division (including the Australian Chief Plant Protection Officer);
- Interim Inspector-General of Biosecurity;
- Grains Research and Development Corporation;
- Fisheries Research and Development Corporation;
- Rural Industries Research and Development Corporation;
- Australian Pesticides and Veterinary Medicines Authority;
- Compliance Division;
- Exports Division (including Live Animal Exports Reform); and
- Trade and Market Access Division.

2.4 On 26 May 2015, the committee heard further from the divisions and agencies of the Agriculture portfolio in the following order:

- Horticulture Innovation Australia Limited;
- Meat and Livestock Australia;
- Australian Grape and Wine Authority;
- Australian Meat Processor Corporation;
- Forest and Wood Products Australia Limited;
- Landcare Australia Limited;

- Plant Health Australia;
- Animal Health Australia;
- Australian Fisheries Management Authority;
- Australian Bureau of Agricultural and Resource Economics and Sciences;
- Agricultural Policy Division;
- Agricultural Adaptation and Policy Division; and
- Sustainability and Biosecurity Division.

2.5 The following agency was called to appear but later released during the course of the hearing without providing evidence:

- Australian Livestock Export Corporation Limited (LiveCorp).

**Finance and Business Support Division, Governance Branch, Information Services Division, Service Delivery Division, Office of the General Counsel**

2.6 Continuing a line of questioning taken in the 2014-15 Additional Estimates hearings, the committee pursued further information relating to the department's involvement in a matter involving changes to Hansard by the Minister for Agriculture and the operation of the farm household allowance program.<sup>1</sup>

2.7 The committee sought clarification on matters relating to the potential relocation away from Canberra of the Grains Research and Development Corporation, the Fisheries Research and Development Corporation, the Rural Industries Research and Development Corporation, and the Australian Pesticides and Veterinary Medicines Authority. Specifically, the committee questioned departmental officials on the costs estimated to arise from the proposed office relocations and the consultations that have been undertaken on the proposals.<sup>2</sup>

2.8 The department provided the committee with an update on the progress of the forthcoming Agriculture White Paper, discussing the timeframe and staff costs involved.<sup>3</sup> The committee also queried officials on the review of departmental Freedom of Information (FOI) processes currently being conducted by Ernst and Young.<sup>4</sup>

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1 *Proof Hansard*, 25 May 2015, pp 6-21.

2 *Proof Hansard*, 25 May 2015, pp 22-44.

3 *Proof Hansard*, 25 May 2015, pp 46-54.

4 *Proof Hansard*, 25 May 2015, pp 54-56.

2.9 Additionally, senators requested details on the drought budget measures and the new strategic objectives and key performance indicators contained in the 2015-16 budget papers.<sup>5</sup>

### **Biosecurity Animal Division**

2.10 The committee requested information on the department's handling of a biosecurity breach in May 2015 when it was discovered that two dogs had entered Australia undetected on a private aircraft without the necessary permits. While taking care to stress the importance of maintaining the integrity of the investigation process into that particular incident, officials outlined the various frameworks designed to prevent live animals being brought undetected into Australia, and spoke about the ways in which risk levels around such incidents are determined. The committee also discussed more broadly the management of entry processes for passengers entering Australia on private aircraft, with a particular focus on enforcing quarantine regulations.<sup>6</sup>

2.11 In terms of other matters raised during this session, the committee inquired into the potential for the importation of processed beef into Australia under the Trans-Pacific Partnership (TPP) and the biosecurity risks associated with such a move.<sup>7</sup>

### **Biosecurity Plant Division**

2.12 The committee was informed about the actions being taken to control yellow crazy ant in Queensland, and received an update on banana freckle eradication in the Northern Territory and the status of Panama disease in far north Queensland. The committee also queried officials on the management of Queensland fruit fly and the Queensland outbreak of cucumber green mottle mosaic virus.<sup>8</sup>

### **Interim Inspector-General of Biosecurity**

2.13 The committee requested information on the interim arrangements under consideration pending the commencement of the statutory Inspector-General of Biosecurity position. The Interim Inspector-General also provided a brief summary of the areas currently under examination, noting in particular a review into the biosecurity risks associated with imports of plant-based stock feeds.<sup>9</sup>

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5 *Proof Hansard*, 25 May 2015, pp 56-72.

6 *Proof Hansard*, 25 May 2015, pp 72-81.

7 *Proof Hansard*, 25 May 2015, pp 81-85.

8 *Proof Hansard*, 25 May 2015, pp 88-95.

9 *Proof Hansard*, 25 May 2015, pp 95-96.

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

2.14 The committee sought details on the proposed relocation of GRDC from Canberra to Wagga Wagga, first flagged by the Minister for Agriculture in July 2014. Specifically, the committee questioned officials on the estimated costs of the move in relation to the leasing of premises, staff attitudes to the relocation, and the predicted impact on the research and development (R&D) work of the organisation. The committee also discussed the consultation process currently occurring in relation to the proposed relocation, and was informed that GRDC is still in the early stages of analysing all the potential impacts of the move.<sup>10</sup>

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

2.15 FRDC officials provided details on various R&D projects underway, including a new study into the broader scale impacts of salmon farms, and the work being done on improving understanding of Indigenous fisheries issues.<sup>11</sup>

2.16 The committee also questioned FRDC on the proposed relocation of the organisation to Tasmania, querying officials on matters such as building leasing arrangements and predicted staff retention rates. On this matter, FRDC noted that at this stage it has factored in a 92 percent redundancy rate based on views expressed by current staff.<sup>12</sup>

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

2.17 The committee raised matters relating to the potential relocation of RIRDC from Canberra to Albury-Wodonga. In line with questions posed to other R&D corporations appearing at the hearings, senators queried officials on the estimated costs of any move (taking into account the final location, redundancy packages, retention bonuses and lease costs), as well as the benefits to the work of RIRDC that stem from the current Canberra location. RIRDC indicated that its board is currently considering the options available to the organisation and will respond to the Minister for Agriculture in due course.<sup>13</sup>

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

2.18 The committee pursued information in relation to the proposal to relocate APVMA from Canberra to Armidale or Toowoomba, particularly in regard to the potential costs of new leases and redundancy packages. The committee also

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10 *Proof Hansard*, 25 May 2015, pp 97-107.

11 *Proof Hansard*, 25 May 2015, pp 107-109.

12 *Proof Hansard*, 25 May 2015, pp 109-115.

13 *Proof Hansard*, 25 May 2015, pp 115-120.

questioned APVMA officials on the expected ease of finding the necessary number of suitably qualified specialist staff (such as regulatory scientists) in regional locations.<sup>14</sup>

2.19 The APVMA session also included brief discussions on red tape reduction activities and the progress of the chemical review reprioritisation process.<sup>15</sup>

### **Compliance Division**

2.20 The committee requested an update on the latest activities of the department in relation to the February 2015 outbreak of the hepatitis A virus linked to contaminated berries sourced from China. Officials discussed the follow-up testing that occurred in the aftermath of the incident, and spoke about the ongoing review process being undertaken in conjunction with other agencies.<sup>16</sup>

### **Exports Division (including Live Animal Exports Reform)**

2.21 The committee queried officials on several matters related to live exports, focusing in particular on the department's response to recent incidents in Vietnam related to Exporter Supply Chain Assurance System (ESCAS) pathway concerns. The department noted that staff members were working with affected exporters and investigations into the incidents were underway.<sup>17</sup>

### **Trade and Market Access Division**

2.22 The committee focused on the impact of the Australia-Korea and Australia-Japan Free Trade Agreements (FTA), requesting information on the perceived benefits to Australian agricultural exports. The department indicated that in the short time frame that the FTA had been in force, there had already been an improvement in trading conditions, noting in particular the increase in table grape exports to both countries. The committee also asked officials for an update on the department's involvement in the TPP negotiations.<sup>18</sup>

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

2.23 HIAL officials provided the committee with an update on the recent activities of the organisation, noting in particular the ongoing process of transitioning from a peak industry body to a grower-owned organisation. The committee heard that HIAL is currently focusing on creating a comprehensive database of registered levy payers.<sup>19</sup>

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14 *Proof Hansard*, 25 May 2015, pp 120-124.

15 *Proof Hansard*, 25 May 2015, pp 124-126.

16 *Proof Hansard*, 25 May 2015, pp 126-134.

17 *Proof Hansard*, 25 May 2015, pp 134-136.

18 *Proof Hansard*, 25 May 2015, pp 137-142.

19 *Proof Hansard*, 26 May 2015, pp 5-7.

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

2.24 The committee sought information on the work being done by MLA in progressing the True Aussie brand project for the red meat industry. MLA reaffirmed the importance of having a unified brand for Australian red meat products and informed senators that the True Aussie logo was gaining traction in countries including Japan, South Korea, China and the United Arab Emirates.<sup>20</sup>

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

2.25 AGWA provided details to the committee on the progress of the research and marketing arm amalgamation process, noting that the integration is progressing smoothly. AGWA also noted the organisation is focusing on building demand and further opportunities in export markets, particularly in China and Canada.<sup>21</sup>

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

2.26 The committee received an overview from AMPC on the current R&D activities of the organisation. Officials noted that the primary investment focus of AMPC is on creating market access opportunities, and gave examples of the various programs currently being undertaken, including marketing, food safety and technology and processing systems.<sup>22</sup>

### **Forest and Wood Products Australia Limited**

2.27 The committee inquired into the R&D activities of Forest and Wood Products Australia Limited and heard details on the development of high-value wood products. The committee also requested details regarding the proportions of levy revenues generated by the various industry sectors.<sup>23</sup>

### **Landcare Australia Limited**

2.28 Landcare Australia Limited provided the committee with a summary of the work the organisation undertakes, including activities carried out in conjunction with the Green Army. The committee sought further information on the nature of the contractual arrangements between Landcare Australia Limited and labour service provider Manpower Group.<sup>24</sup>

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20 *Proof Hansard*, 26 May 2015, pp 7-12.

21 *Proof Hansard*, 26 May 2015, pp 12-14.

22 *Proof Hansard*, 26 May 2015, pp 14-16.

23 *Proof Hansard*, 26 May 2015, pp 16-19.

24 *Proof Hansard*, 26 May 2015, pp 19-26.

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## **Plant Health Australia**

2.29 The committee requested details on the new funding available for the National Fruit Fly Strategy and heard from officials about the ways in which Plant Health Australia and other stakeholders are engaging industry to ensure fruit fly is not a barrier to domestic and international market access.<sup>25</sup>

## **Animal Health Australia**

2.30 The committee questioned Animal Health Australia on a statement released in relation to apparent outbreaks of avian influenza in the Australian egg industry, and requested further information on the exact details of the outbreaks and the actions taken to handle the incidents.<sup>26</sup>

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

2.31 The committee raised matters relating to the legislative tools available to control fishing activities in Australian oceans. Specifically, senators questioned officials on their handling of incidents involving the trawler named 'Geelong Star', and initiated a broader discussion into the regulation of catch limits and fishing methods for super trawlers.<sup>27</sup>

2.32 Additionally, the committee inquired into a range of issues in regard to small pelagic fisheries, including expenditure on research and scientific assessments, and the methods used in creating a fish stock classification system.<sup>28</sup> AFMA also provided information on recent efforts to end illegal and unregulated fishing, mentioning collaborations with partner countries in the region.<sup>29</sup>

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

2.33 The committee discussed a statement made by the Parliamentary Secretary for Agriculture on 11 November 2014 which cited an ABARES report entitled 'Australian forest and wood products statistics: March and June quarters 2014' and submitted that employment in the forestry sector had increased by almost 10,000 jobs in the previous year. The committee questioned ABARES officials on the data contained in this report and the qualifications attached to the statistics.<sup>30</sup>

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25 *Proof Hansard*, 26 May 2015, pp 26-29.

26 *Proof Hansard*, 26 May 2015, pp 29-32.

27 *Proof Hansard*, 26 May 2015, pp 32-40.

28 *Proof Hansard*, 26 May 2015, pp 40-46.

29 *Proof Hansard*, 26 May 2015, pp 46-48.

30 *Proof Hansard*, 26 May 2015, pp 48-57.

2.34 ABARES provided information on the critical mass of the beef cattle herd and explained the forecasting work being done in relation to future beef exports to China and the potential impacts on industry any such increase would have.<sup>31</sup>

2.35 Amongst other matters discussed, the committee also heard evidence relating to ABARES input into the Agriculture White Paper, and research being undertaken on climate change issues.<sup>32</sup>

### **Agricultural Policy Division**

2.36 The committee traversed a number of issues with this division, including future trends for employment in the shearing sector, progress on the proposed implementation of a country of origin food labelling framework, and the availability of funding for research and development corporations to become members of relevant international bodies.<sup>33</sup>

### **Agricultural Adaptation and Forestry Division**

2.37 The committee queried officials on the mechanical fuel load reduction trials and accelerated depreciation measures recently announced in the 2015-16 budget papers and sought further information on both initiatives from the department.<sup>34</sup>

2.38 The committee dealt with the topic of Regional Forest Agreements (RFA), considering the timeliness of the five-year review cycle for the Victorian RFA. In addition, senators discussed the impact of forestry operations on threatened species.<sup>35</sup>

2.39 The committee pursued information on the drought programs contained in the budget papers, specifically querying officials on the application process, eligibility guidelines, take-up rates and funding availability for the Drought Concessional Loans Scheme, the Drought Recovery Scheme and the Farm Household Assistance Scheme. The committee also received details on the funding earmarked to extend and expand existing social and community support for drought-affected areas.<sup>36</sup>

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31 *Proof Hansard*, 26 May 2015, pp 59-66.

32 *Proof Hansard*, 26 May 2015, pp 66-71.

33 *Proof Hansard*, 26 May 2015, pp 71-76.

34 *Proof Hansard*, 26 May 2015, pp 76-79, 97-99.

35 *Proof Hansard*, 26 May 2015, pp 79-83.

36 *Proof Hansard*, 26 May 2015, pp 86-92, 94-97.



## **Sustainability and Biosecurity Division**

2.40 The committee posed questions on the work the department had done in investigating, auditing and reviewing the claims of fraud and noncompliance in the Tasmanian Forestry Exit Grants program.<sup>37</sup>

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37 *Proof Hansard*, 26 May 2015, pp 101-105.

