

The Senate

Rural and Regional Affairs and
Transport Legislation Committee

Budget estimates 2017–18

June 2017

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Senator Malarndirri McCarthy
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Secretariat

Dr Jane Thomson, Secretary
Ms Sarah Redden, Principal Research Officer
Ms Trish Carling, Senior Research Officer
Ms Erin Pynor, Senior Research Officer
Ms Leonie Lam, Research Officer
Mr Michael Fisher, Administrative Officer

PO Box 6100
Parliament House
Canberra ACT 2600
Ph: 02 6277 3511
Fax: 02 6277 5811
E-mail: rrat.sen@aph.gov.au
Internet: www.aph.gov.au/senate_rrat

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Chapter 1

Introduction

1.1 On 9 May 2017, the Senate referred the following two documents to the Rural and Regional Affairs and Transport Legislation Committee (the committee) for examination and report:

- particulars of proposed expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 1) 2017-18]; and
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 2) 2017-18].¹

1.2 The committee is required to examine the 2017-18 Budget estimates contained in these two documents in relation to the Infrastructure and Regional Development portfolio and the Agriculture and Water Resources portfolio. Following examination, the committee is required to table its report on 20 June 2017.²

Budget estimates hearings

1.3 The committee examined witnesses from both portfolios at hearings held between 22 and 25 May 2017.

1.4 On 28 March 2017, the Senate amended the order of the Senate of 8 November 2016 relating to the hearings for the 2017-18 Budget estimates to include a cross-portfolio estimates hearing on Murray-Darling Basin Plan on 26 May 2017.

1.5 The Budget estimates hearings were conducted in accordance with the agreed agenda as follows:

- 22 and 23 May 2017—Infrastructure and Regional Development portfolio;
- 24 and 25 May 2017—Agriculture and Water Resources portfolio; and
- 26 May 2017—Cross portfolio Murray-Darling Basin Plan matters.

1.6 The committee heard evidence from the following senators:

- Senator the Hon Fiona Nash, Minister for Regional Development and Minister for Local Government and Territories (representing the Minister for Infrastructure);
- Senator the Hon Zed Seselja, Assistant Minister for Social Services and Multicultural Affairs; and

1 *Journals of the Senate*, No. 39, 9 May 2017, p. 1311.

2 *Journals of the Senate*, No. 13, 8 November 2016, p. 412.

- Senator the Hon Anne Ruston, Assistant Minister for Agriculture and Water Resources (representing the Minister for Agriculture and Water Resources).

1.7 Evidence was also provided by:

- Mr Daryl Quinlivan, Secretary of the Department of Agriculture and Water Resources;
- Mr Mike Mrdak, Secretary of the Department of Infrastructure and Regional Development;
- Mr David Papps, Commonwealth Environmental Water Holder;
- Ms Rona Mellor PSM, Acting Auditor-General;
- Mr Phillip Glyde, Chief Executive of the Murray-Darling Basin Authority; and
- officers representing the departments and agencies covered by the estimates before the committee.

1.8 The committee thanks the ministers, departmental secretaries and officers for their assistance and cooperation during the hearings.

Questions on notice

1.9 In accordance with Standing Order 26, the committee is required to set a date for the lodgement of written answers and additional information. The committee resolved that they be submitted by 7 July 2017.³

Record of proceedings

1.10 This report does not attempt to analyse the evidence presented during the hearings. However, it does provide a summary of some of the key issues that were covered by the committee for each portfolio.

Note on references and additional information

1.11 References to the Hansard transcript are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcripts.

1.12 Copies of the proof Hansard transcripts, documents tabled at the hearings, and additional information received after the hearings will be tabled in the Senate and available on the committee's website.

3 Once received, answers to questions on notice will be published at the following website address:
http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/rratctte/estimates/bud1718/index.

Chapter 2

Infrastructure and Regional Development portfolio

2.1 This chapter outlines the key issues considered during the 2017–18 Budget Estimates hearings for the Infrastructure and Regional Development portfolio.

2.2 The committee heard evidence from the Department of Infrastructure and Regional Development and agencies on 22 and 23 May 2017, meeting for a total of 20 hours and 19 minutes.

2.3 On 22 May 2017, the committee heard from the divisions and agencies of the portfolio in the following order:

- Executive;
- Corporate Services Division;
- Infrastructure Australia;
- Australian Rail Track Corporation (ARTC);
- Infrastructure Investment Division; and
- Policy and Research Division.

2.4 On 23 May 2017, the committee heard further from the divisions and agencies of the portfolio in the following order:

- Australian Maritime Safety Authority (AMSA);
- Aviation and Airports Division;
- Australian National Audit Office (ANAO);
- Airservices Australia;
- Civil Aviation Safety Authority (CASA);
- Australian Transport Safety Bureau (ATSB);
- Office of Transport Security;
- Surface Transport Policy Division; and
- Western Sydney Unit.

Infrastructure Australia

2.5 The committee inquired into the progress of Infrastructure Australia's assessments and, how value capture is evaluated, for the following projects:

- East-West Link in Melbourne;
- WestConnex in Sydney;
- NorthConnex in Sydney;
- Brisbane Gateway;
- Perth Freight Link; and

- Western Sydney Airport.¹

2.6 The committee also requested information on the progress of the following Infrastructure Priority List projects and whether Infrastructure Australia had received business cases for them:

- Victoria—West Gate Tunnel, North East Link, East West Link, Melbourne Metro rail, Tullamarine Melbourne rail link;²
- Northern Territory—the Tanami Road upgrade;³
- South Australia—Oaklands crossing, North-South corridor;⁴
- New South Wales—Sydney Metro;⁵
- Western Australia—Perth Freight Link; and⁶
- Queensland—Cross River Rail.⁷

2.7 The committee sought information about the assessment process for business cases conducted by Infrastructure Australia.⁸

2.8 The committee questioned how Infrastructure Australia would utilise the additional funding of \$11.9 million, as outlined in Budget Paper No. 2.⁹

Australian Rail Track Corporation

2.9 The committee requested details of the \$8.4 billion in funding for the Melbourne to Brisbane Inland Rail project. ARTC replied that the funds would be realised on an as-needs basis dependent on the construction schedule.¹⁰

2.10 The committee was also interested in the purchase of steel from Arrium Steel for the manufacturing of rails. ARTC advised they will purchase 72,000 tonnes of rail.¹¹

Infrastructure Investment Division

2.11 The committee sought clarification of the \$75 billion for infrastructure funding and finance for the next 10 years as outlined in the budget, specifically:

1 *Proof Hansard*, 22 May 2017, pp. 5–8.

2 *Proof Hansard*, 22 May 2017, pp. 9–12, 21, 28–29.

3 *Proof Hansard*, 22 May 2017, pp. 13–16.

4 *Proof Hansard*, 22 May 2017, pp. 17–19.

5 *Proof Hansard*, 22 May 2017, pp. 20, 29–31.

6 *Proof Hansard*, 22 May 2017, pp. 18–23.

7 *Proof Hansard*, 22 May 2017, pp. 29–31.

8 *Proof Hansard*, 22 May 2017, pp. 24–28.

9 *Proof Hansard*, 22 May 2017, pp. 34–35.

10 *Proof Hansard*, 22 May 2017, p. 35.

11 *Proof Hansard*, 22 May 2017, pp. 36–37.

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- how that amount would be broken down into financial years;
 - which projects would be funded; and
 - which states, territories and local governments would receive funding.¹²

2.12 The committee inquired into the progress and funding of a number of infrastructure projects. Detailed evidence was sought about projects including the:

- rail link between Mount Isa, Queensland and Tennant Creek, Northern Territory;¹³
- Northern Road relocation in Western Sydney;¹⁴
- WestConnex in New South Wales;¹⁵
- Northern Australia Roads Program;¹⁶
- Faster Rail connecting capital cities and major regional centres;¹⁷
- Bruce Highway in Queensland;¹⁸
- Midland Highway in Tasmania;¹⁹
- Western Sydney Airport;²⁰
- Oaklands rail crossing upgrade in South Australia;²¹
- North-South Corridor in Adelaide, South Australia;²²
- Appin Road upgrade in New South Wales;²³
- National Rail Program;²⁴ and
- Melbourne Metro.²⁵

12 *Proof Hansard*, 22 May 2016, pp. 61–65.

13 *Proof Hansard*, 22 May 2017, pp. 59–61.

14 *Proof Hansard*, 22 May 2017, p. 66.

15 *Proof Hansard*, 22 May 2017, pp. 66–67.

16 *Proof Hansard*, 22 May 2017, pp. 76–78.

17 *Proof Hansard*, 22 May 2017, pp. 79–82.

18 *Proof Hansard*, 22 May 2017, pp. 82–83, 87, 93–95.

19 *Proof Hansard*, 22 May 2017, p. 85–87

20 *Proof Hansard*, 22 May 2017, p. 87.

21 *Proof Hansard*, 22 May 2017, pp. 89–90.

22 *Proof Hansard*, 22 May 2017, p. 91.

23 *Proof Hansard*, 22 May 2017, p. 92.

24 *Proof Hansard*, 22 May 2017, p. 100.

25 *Proof Hansard*, 22 May 2017, p. 100.

Policy and Research Division

2.13 The committee sought information of the impact of the growing number of electric vehicles on fuel excise in Australia. Officials explained that while CSIRO has modelled the impact of electric vehicles on fuel excise, that research is still ongoing. It was noted there would be a gradual decline in fuel excise as electric vehicles become a more viable alternative.²⁶

2.14 The committee inquired into the funding and allocation arrangements for the Regional Jobs and Investment Package program and Building Better Regions program.²⁷

2.15 The committee was interested to hear about the National Cycling Participation Survey. Officials advised that the survey would be conducted by the Australian Bicycle Council and that results should be publicly available by end of June. The committee sought information on how much federal funding is spent on cycling infrastructure.²⁸

2.16 The committee sought information on the Stronger Communities Program and whether there would be changes to the administration of the program. Officials advised that the guidelines were still being reviewed.²⁹

2.17 The committee inquired into the progress of the decentralisation program. Detailed evidence was sought about:

- what funding has been allocated to the program;
- which departmental officers and resources have been assigned;
- what criteria is used to assess suitability for decentralisation;
- whether an analysis has been undertaken of jobs cut in regional areas;
- expressions of interests from regional areas; and
- whether there has been modelling done on potential locations for decentralisation.³⁰

Australian Maritime Safety Authority

2.18 The committee pursued questions regarding the fatality on board the *Maeve Anne* operated by shipping company Brady Marine and Civil. This included questions regarding the inspections of the barge carried out by AMSA in the lead up to and in the aftermath of the fatality, sanctions and legal action taken against the operator under the National Law Act.³¹

26 *Proof Hansard*, 22 May 2017, pp. 106–107.

27 *Proof Hansard*, 22 May 2017, pp. 108–112.

28 *Proof Hansard*, 22 May 2017, pp. 113–115.

29 *Proof Hansard*, 22 May 2017, p. 118

30 *Proof Hansard*, 22 May 2017, pp. 119–123

31 *Proof Hansard*, 23 May 2017, pp. 5–11.

2.19 The committee also raised questions about the roles of Safe Work New South Wales, AMSA, and Roads and Maritime Services, including the upcoming transition to a national system administered by AMSA. This line of questioning also considered staffing and resource levels dedicated to these functions.³²

2.20 The committee sought information about Marine Order 32 and the consultation process resulting in amendments to the order.³³ In response to questioning, the committee was informed that while Australia has not adopted the International Maritime Organisation Code of Safe Practice for Cargo Stowage and Securing (CSS) Code, it is mandated under Marine Order 42.³⁴ Further, the committee heard that the Safe Work code of practice contains a caveat that it must be read in conjunction with marine orders 32 and 42, as well as marine order 44 which relates to containers.³⁵ AMSA described the combination of the marine orders and the code of practice as a 'consolidated package'.³⁶

Aviation and Airports Division

2.21 The committee began by pursuing questions regarding pedestrian and cycling access to Brisbane Airport. Senators expressed an interest in ensuring that employees have safe access to the workplace via these lanes.³⁷

2.22 The committee was advised that the Aviation and Airports Division is working closely with the ATSB and CASA to address any concerns about the use of drones. The committee was particularly interested in the use of drones in the vicinity of other aircraft and airports, the level of training provided to recreational drone pilots, and a prospective safety review of drones to be conducted by CASA.³⁸

2.23 The committee inquired into the third runway being constructed at Tullamarine Airport and the extension of an existing runway. Officers of the department informed the committee that under the current master plan, 'everything will be in place around 2022' which includes the third runway running east-west and the extension of the current east-west runway.³⁹

2.24 The committee also sought information on the construction of Western City Airport. The committee was advised of the tender process and prequalification details that would allow small companies to tender for aspects of the construction. Comparisons were drawn to the Wellcamp airport development and construction.⁴⁰

32 *Proof Hansard*, 23 May 2017, pp. 11–14.

33 *Proof Hansard*, 23 May 2017, p. 15.

34 *Proof Hansard*, 23 May 2017, pp. 19.

35 *Proof Hansard*, 23 May 2017, pp. 15–19.

36 *Proof Hansard*, 23 May 2017, p. 19.

37 *Proof Hansard*, 23 May 2017, pp. 19–20.

38 *Proof Hansard*, 23 May 2017, pp. 20–23.

39 *Proof Hansard*, 23 May 2017, pp. 24–25.

40 *Proof Hansard*, 23 May 2017, pp. 26–28.

Australian National Audit Office

2.25 The committee called the ANAO to estimates assist with its inquiries into the performance of Airservices Australia (Airservices). The ANAO conducted three pieces of audit work in relation to Airservices with its most recent Audit Report No. 46 of 2016–17 concerning the Conduct of the OneSKY Tender. The audits were undertaken following correspondence from the committee in the 44th Parliament raising concerns about the performance of Airservices. Immediately following the appearance of the ANAO, the committee called Airservices. The committee then called the ANAO back to clarify evidence before returning to Airservices.

Airservics Australia

2.26 The committee focused on the most recent OneSKY tender process and the ANAO's observations about Airservices' evaluation process which resulted in a higher price outcome.⁴¹ In particular, the committee sought information about the ANAO's audit conclusions that the 'evaluation of tendered prices against the cost criterion was not conducted in a robust and transparent manner'.⁴² According to the ANAO, it was 'not clearly evident that the successful tenderer offered the best value for money'.⁴³

2.27 The committee pursued these matters with Airservices. It examined the phases of the evaluation process and the five criteria used by the tender evaluation working group to evaluate the proposals.⁴⁴ It considered conflict of interest issues and questioned Airservices about the role of the International Centre for Complex Project Management (ICCPM), the subject of a previous performance audit by the ANAO.⁴⁵

2.28 Other matters raised with Airservices by the committee included the 38 international air traffic controllers residing in Australia who are currently on 457 or other visas. The committee sought information on the impact of recent visa arrangements on those personnel and was informed that Airservices was working with them individually.⁴⁶ The committee questioned Airservices about aircraft noise monitoring as well as community consultation processes undertaken regarding aircraft noise including the regular airport and noise forums.⁴⁷

Civil Aviation Safety Authority

2.29 The committee focused its attention on the safety of remotely piloted aircraft systems (RPAS) and amendments to part 101 of the *Civil Aviation and Safety Regulations 1998* which commenced in September 2016.⁴⁸ The committee was

41 *Proof Hansard*, 23 May 2017, p. 33.

42 *Proof Hansard*, 23 May 2017, p. 34.

43 *Proof Hansard*, 23 May 2017, p. 52.

44 *Proof Hansard*, 23 May 2017, p. 38.

45 *Proof Hansard*, 23 May 2017, p. 36.

46 *Proof Hansard*, 23 May 2017, pp. 59–60.

47 *Proof Hansard*, 23 May 2017, p. 62.

48 *Proof Hansard*, 23 May 2017, p. 67.

informed that since September 2016, the CASA received 5,428 notifications from small commercial operators intending to undertake RPAS operations.

2.30 The committee sought an update on the review of aviation safety regulations in relation to the operations of drones announced by the Minister for Infrastructure and Transport on 10 October 2016. It was informed that the review was yet to start as the terms of reference were still being developed.⁴⁹

2.31 The committee pursued questions about the safety of recreational drone use and sought information on the education program undertaken by CASA to target recreational users.⁵⁰

2.32 Questions were asked by the committee about public safety zones around airports. CASA informed the committee that it is engaged in the National Airports Safeguarding Framework public safety zone discussions.⁵¹

Australian Transport Safety Bureau

2.33 The committee sought information on recent investigations, including in relation to the Pel-Air VH-NGA accident off Norfolk Island in 2009. The committee was informed that the investigation will be concluded and the report released at the end of September 2017.⁵²

2.34 Other questions related to the ATSB's *A safety analysis of remotely piloted aerial systems* report and the dangers of flying drones in the vicinity of other aircraft. Inquiries were also made into the investigation of the Essendon airport crash. The committee was advised that investigations are ongoing.⁵³

Office of Transport Security

2.35 The committee sought information on the requirements needed to qualify for an Aviation Security Identification Card (ASIC) or a Maritime Security Identification Card (MSIC). The committee was informed of a number of qualifying requirements, particularly regarding previous criminal offences and the lack of discretionary powers to prevent those with a criminal record from obtaining a licence.⁵⁴

2.36 The committee inquired into security designations at airports. The committee expressed concerns about the security risks posed by flags-of-convenience shipping and sought information on the lower threshold required to obtain a maritime crew visa (MCV) rather than a MSIC. It requested information and expressed concern over different agencies regulating the two qualifications.⁵⁵

49 *Proof Hansard*, 23 May 2017, p. 78.

50 *Proof Hansard*, 23 May 2017, p. 74.

51 *Proof Hansard*, 23 May 2017, p. 82.

52 *Proof Hansard*, 23 May 2017, pp. 92–93.

53 *Proof Hansard*, 23 May 2017, pp. 93–95.

54 *Proof Hansard*, 23 May 2017, pp. 101–103.

55 *Proof Hansard*, 23 May 2017, pp. 105–111.

2.37 The committee was informed about new procedures at airports regarding electronic devices in carry-on luggage and additional screening at domestic and transiting airports.⁵⁶

Surface Transport Policy Division

2.38 The committee sought an update on coastal shipping reforms and was informed that the most recent discussion paper considers a number of issues raised by shipping companies regarding an administrative burden in relation to the legislation.⁵⁷ Concerns of stakeholders went to the reporting requirements as well as the licensing requirement under the legislation regarding the five-voyage-minimum requirement.⁵⁸

2.39 The committee made extensive inquiries in relation to road safety initiatives and spending in the 2016–17 and 2017–18 Budgets. In particular, the committee drew attention to the apparent underspend in the road safety budget during 2016–17, given the importance of reducing Australia's road toll.⁵⁹ To that end, the committee sought information about the time frame for mandating autonomous braking and lane-keep assist technology on imported vehicles,⁶⁰ and drew attention to the possibility of importing vehicles with ANCAP ratings as low as two stars.⁶¹

2.40 The committee asked questions about a review of the National Road Safety Strategy, and was informed that an expert panel will review Australia's progress and report back to ministers this year.⁶²

2.41 The committee sought details about measures to encourage the uptake of electric vehicles, further to the launch of the national Electric Vehicle Council and announcement by the Minister for Environment and Energy of a grant from the Australian Renewable Energy Agency (ARENA) to the Council to support the uptake of electric vehicles.⁶³ The committee was informed that, rather than applying a target for electric vehicle uptake, the Ministerial Forum on Vehicle Emissions is looking at a range of policy initiatives, including:

- the Green Vehicle Guide;
 - ClimateWorks measures to improve consumer information;
 - Choice publications to break down consumer barriers;
 - attractive financing arrangements by the Clean Energy Finance Corporation;
- and

56 *Proof Hansard*, 23 May 2017, pp. 114–116.

57 *Proof Hansard*, 23 May 2017, p. 116.

58 *Proof Hansard*, 23 May 2017, p. 116.

59 *Proof Hansard*, 23 May 2017, pp. 118–19.

60 *Proof Hansard*, 23 May 2017, pp. 120–22.

61 *Proof Hansard*, 23 May 2017, p. 124.

62 *Proof Hansard*, 23 May 2017, p. 12.

63 *Proof Hansard*, 23 May 2017, pp. 123–4.

- concession for low-emissions vehicles in the luxury car tax.⁶⁴

2.42 The committee asked whether the department had undertaken an investigation into the use of Plutus by labour hire companies, and was advised that the department would be reviewing the companies involved and any implications for contractors engaged by the portfolio.⁶⁵

2.43 The committee sought the rationale for paying 50 per cent or \$1.2 billion of financial assistance to local governments in the 2016–17 financial year. In response, Mr Mike Mrdak, Secretary, of the department told the committee:

As part of the budget announcement the minister has outlined that it is designed to provide additional funding for councils to be able to utilise. As you would be aware for the 2017–18 year indexation has been returned to the Financial Assistance Grants. At the same time the government has decided to bring forward 50 per cent of the 2017–18 payment to enable local government investment to take place.⁶⁶

2.44 In response to questioning about reviewing the eligibility criteria for the grants scheme, Minister for Regional Development and Minister for Local Government and Territories Senator the Hon Fiona Nash informed the committee that there are 'discussions about the current criteria' and that there 'a number of programs running where we do consistently have reviews'.⁶⁷

2.45 The committee sought an update on the independent review of Regional Development Australia (RDA) conducted by the Hon Warwick L Smith including an online survey by Orima Research. The committee was informed that:

- the review commenced on 15 September 2016;
- the review concluded and reported to government in December 2016;⁶⁸
- the report is being considered by the government, with a response from Minister Nash 'forthcoming very shortly'; and
- whether the review and the results of the online survey, will be made public is under consideration.⁶⁹

2.46 The committee requested that information be provided on the cost of the review, including details of travel undertaken by Mr Smith and costs of the contract with Orima Research.⁷⁰

64 *Proof Hansard*, 23 May 2017, p. 123.

65 *Proof Hansard*, 23 May 2017, p. 125.

66 *Proof Hansard*, 23 May 2017, p. 126.

67 *Proof Hansard*, 23 May 2017, pp. 126–8.

68 *Proof Hansard*, 23 May 2017, pp. 129.

69 *Proof Hansard*, 23 May 2017, pp. 128–30.

70 *Proof Hansard*, 23 May 2017, pp. 129–30.

Western Sydney Unit

2.47 The committee briefly asked about noise reduction programs at Western Sydney Airport. Noise reduction was addressed in the environmental impact statement and has found that there are no residential areas affected by the noise.⁷¹

2.48 The committee asked about off-airport hazards and wildlife hazards and consistency with International Civil Aviation Organization (ICAO) standards, and was informed that bird and bat strike reviews were conducted as part of environmental impact statements in 1985, 1997–1999 and 2014–2016 and found no significant risk.⁷²

2.49 The committee pursued the issue of fuel being supplied to Western Sydney Airport and the possibility of a pipeline replacing current trucking arrangements. The committee heard that work is being conducted in consultation with the New South Wales Government to look at the requirements and options for fuel pipelines to supply the airport when it is needed.⁷³

2.50 The committee was advised that on the issue of rail versus road access to the airport, a very large piece of rail planning work by the Commonwealth and New South Wales is nearing completion.⁷⁴

2.51 The committee sought further information about arrangements to cater for increased traffic at the airport, including the use of head-to-head operations and curfews.⁷⁵

71 *Proof Hansard*, 23 May 2017, p. 131.

72 *Proof Hansard*, 23 May 2017, pp. 132–3

73 *Proof Hansard*, 23 May 2017, p. 133.

74 *Proof Hansard*, 23 May 2017, p. 133.

75 *Proof Hansard*, 23 May 2017, p. 135.

Chapter 3

Agriculture and Water Resources portfolio

3.1 This chapter outlines the key issues considered during the 2017–18 Budget Estimates hearings for the Agriculture and Water Resources portfolio.

3.2 The committee heard evidence from the Department of Agriculture and Water Resources (DAWR) and agencies on 24 and 25 May 2017, meeting for a total of 16 hours and 14 minutes.

3.3 On 24 May 2017, the committee heard evidence from the divisions and agencies of the Agriculture and Water Resources portfolio in the following order:

- Exports Division;
- Biosecurity Animal Division;
- Biosecurity Plant Division;
- Compliance Division;
- Biosecurity Policy and Implementation;
- Rural Industries and Research Development Corporation (RIRDC);
- Landcare Australia Ltd;
- Dairy Australia Ltd;
- Horticulture Innovation Ltd;
- Australian Wool Innovation Ltd (AWI);
- Grains Research and Development Corporation (GRDC); and
- Australian Meat Processor Corporation Ltd (AMPC).

3.4 On 25 May 2017, the committee heard further from the divisions and agencies of the portfolio in the following order:

- Australian Pesticides and Veterinary Medicines Authority (APVMA);
- Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES);
- Finance and Business Support Division, Corporate Strategy and Governance Division, Information Services Division, Service Delivery Division, Office of General Counsel;
- Farm Support Division;
- Sustainable Agriculture, Fisheries and Forestry Division;
- Agricultural Policy Division;
- Trade and Market Access Division;
- Fisheries Research and Development Corporation (FRDC); and

- Australian Fisheries Management Authority (AFMA).

Exports Division

3.5 The committee questioned officials on several matters related to the Export Supply Chain Assurance System (ESCAS) which provides export arrangements for all livestock species (sheep, cattle, llamas, camels, buffaloes) exported overseas for slaughter.¹

3.6 The ESCAS arrangements require exporters of particular species of animals to demonstrate that:

...if they are being exported for slaughter, the exporter has arrangements in place in the importing country to ensure that the animals are treated and handled and slaughtered in accordance with international animal welfare standard.²

3.7 Departmental officials recognised the absence of ESCAS arrangements for equine species (horses, ponies and donkeys) exported for slaughter as a 'gap' in the current system. The department has put the matter of introducing such arrangements for equine species to the Minister for Agriculture and Water Resources for his consideration.³

Biosecurity Animal Division

3.8 The two primary matters considered by the committee included the outbreak of the white spot disease (WSD) and the carp eradication program. As the WSD matter transcends other divisions of the department, the committee heard from the Compliance Division and Biosecurity Policy and Implementation in the same session as the Biosecurity Animal Division.

Response to the WSD outbreak

3.9 The committee focused on matters arising from the outbreak of WSD in the Logan River area of Queensland and the detection of white spot syndrome virus (WSSV) in uncooked prawns imported into Australia.

3.10 Officials provided the committee with an update on developments and initiatives undertaken since its appearance at additional estimates in February 2017 including:

- ongoing assistance to the Queensland Government with the WSD response and its efforts to eradicate the virus including a recent contribution of \$20 million to assist with the eradication and to support affected prawn farmers;
- testing of approximately 20,000 samples from the Logan River area and Moreton Bay and testing prawn farms in other parts of Queensland and northern NSW;

1 *Proof Hansard*, 24 May 2017, pp. 12–13.

2 *Proof Hansard*, 24 May 2017, p. 13.

3 *Proof Hansard*, 24 May 2017, p. 13.

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- referrals to the Commonwealth Department of Public Prosecution (CDPP) to pursue charges against six importers who have already had their approved arrangements, permits and ability to import prawns removed;⁴
 - withdrawal of imported raw prawns from retail outlets for testing before release for sale if not infected with WSSV or directing them to be exported and destroyed if infected;
 - lifting the suspension to resume importation of marinated raw prawn with new import conditions; and
 - commencement of a review of import conditions focused on the biosecurity risks of imported prawns to develop appropriate import conditions.⁵

3.11 The committee focused its inquiries on the testing methods applied before the outbreak of WSD and the enhanced testing regime introduced in January, inspection practices at the border and importer behaviour. The committee questioned officials at length about the enhanced testing procedure and the Import Risk Analysis for prawns and prawn products.

3.12 Speaking of the behaviour of importers, officials informed the committee that there was 'deliberate circumvention' of Australia's biosecurity controls by a number of importers with action taken against six of them.⁶ The department estimated that nearly half of the prawns imported into Australia were positive for WSSV of which the majority were imported by the six importers.⁷ During Operation Cattai, the department identified 86 types of behaviour which resulted in a circumvention of the importation system including 24 instances where batches of raw peeled prawns were not declared.⁸

3.13 The committee noted that many of the issues canvassed during this session would be pursued by the Senate Rural and Regional Affairs and Transport References Committee during the course of its inquiry into the outbreak of WSD and Australia's seafood importation regime.

Carp eradication program

3.14 Officials informed the committee that a National Carp Control Plan which considers carp in the Murray-Darling and other waterways is being drafted and will be completed at the end of 2018. The plan, which will detail the process of eradication, will inform consideration by responsible ministers of whether the release of the herpes virus into the waterways is a practical, feasible and cost effective way to control carp.⁹

4 *Proof Hansard*, 24 May 2017, p. 27.

5 *Proof Hansard*, 24 May 2017, p. 20.

6 *Proof Hansard*, 24 May 2017, p. 21.

7 *Proof Hansard*, 24 May 2017, p. 13.

8 *Proof Hansard*, 24 May 2017, p. 38.

9 *Proof Hansard*, 24 May 2017, pp. 56–57.

3.15 Other matters discussed during this session included rabbits and the release of the new calici K5 virus across 600 trial sites around the country.¹⁰

Biosecurity Plant Division

3.16 The committee raised matters including invasive ants, the destruction of 230 year-old plant specimens, peanut smut, preventing foot-and-mouth disease and the October 2016 discovery of myrtle rust in Norfolk Island.

3.17 The committee focused its attentions on invasive or tramp ants and in particular the National Red Fire Imported Ant Eradication Program to which the Commonwealth has contributed \$380 million towards the response in south-east Queensland.¹¹ Officers informed the committee that a draft national plan to deal with invasive ants was developed in November 2016 and is under the review of a national technical committee. It will go before the National Biosecurity Committee later in 2017.¹²

3.18 The committee asked questions about the destruction of 230 year-old plant specimens that were sent to the Queensland Herbarium by the French National Museum of Natural History. Officials informed the committee that the consignment arrived on 4 January in Australia in an unmarked parcel with a declared value of \$2.¹³ While the department noted that there had been mistakes made by all involved parties, it has been liaising with herbarium managers involved in the shipment of herbarium samples to improve transmission arrangements.¹⁴

3.19 In response to queries about peanut smut, the committee was informed that while the disease is not present in Australia, concerns have been raised by local peanut producers because the disease, which originated in Bolivia and Brazil, has become more widespread in Argentina. There are import permits in place for possibly affected raw peanuts from Argentina which are managed through a 'secure managed pathway' and the department is undertaking a review of scientific information about peanut smut and possible pathways into Australia.¹⁵

Rural Industries Research and Development Corporation

3.20 The committee engaged in a detailed examination of the Rural Women's Award Dinner to be held on 13 September 2017.¹⁶ Sponsorship arrangements and the

10 *Proof Hansard*, 24 May 2017, p. 59.

11 *Proof Hansard*, 24 May 2017, p. 53. Officials informed the committee that ants (and bees) come under the auspices of the plant division as they do not have a face.

12 *Proof Hansard*, 24 May 2017, p. 54.

13 *Proof Hansard*, 24 May 2017, pp. 59–60.

14 *Proof Hansard*, 24 May 2017, p. 60.

15 *Proof Hansard*, 24 May 2017, p. 63.

16 *Proof Hansard*, 24 May 2017, p. 81.

costs of the dinner, the role of the 200 alumni and award finalists were discussed during this session.¹⁷

Landcare Australia Limited

3.21 The components and funding for the seven year \$1 billion National Landcare Program were the focus of discussion. A major part of the program is expected to start in 2018–19 with a consultation process already under way.¹⁸ Prior to the funding announcement, a review of the five year Landcare Program was undertaken in 2016. The results of the review are yet to be made public.¹⁹

Dairy Australia Limited

3.22 The committee asked Dairy Australia about milk prices and the plight of dairy farmers. Dairy Australia's annual national dairy farmer survey of 1000 farmers across Australia revealed that in 2015–16, about 62 per cent made a profit. The 2016–17 survey revealed that only 45 per cent of surveyed farmers anticipate making a profit.²⁰ Factors affecting dairy farmers include not only the reduction in milk prices but also environmental conditions such as a long dry period in the southern regions, as well as investment in dairy.²¹

3.23 The committee considered the budget for Tactics for Tight Times including the Taking Stock consultation process. Since June 2016, Dairy Australia has held 174 events involving approximately 1451 attendees of whom nearly 900 were farmers. The committee heard that as part of the process, up to 990 farmers provided positive feedback on the Taking Stock program which provides one-on-one individual support for farmers with advisers.²²

Horticulture Innovation Australia Limited

3.24 The committee pursued information regarding research and coordination. Officials informed the committee that a strategic investment planning process was underway for each of the 36 horticulture industries. As part of the process, biosecurity research priorities would be identified which would inform a biosecurity research initiative coordinated by Plant Health Australia.²³

Plant Health Australia

3.25 The committee asked questions about coordination arrangements in place after the Plant Biosecurity Cooperative Research Centre is wound up in mid-2018.²⁴

17 *Proof Hansard*, 24 May 2017, pp. 82–86.

18 *Proof Hansard*, 24 May 2017, p. 87.

19 *Proof Hansard*, 24 May 2017, pp. 87–88.

20 *Proof Hansard*, 24 May 2017, p. 90.

21 *Proof Hansard*, 24 May 2017, pp. 90–91.

22 *Proof Hansard*, 24 May 2017, p. 89.

23 *Proof Hansard*, 24 May 2017, p. 95.

24 *Proof Hansard*, 24 May 2017, pp. 7, 10–12, 93.

3.26 The committee was informed that a biosecurity research initiative between the seven plant-based Research and Development Corporations (RDCs) would coordinate biosecurity research under the umbrella of Plant Health Australia. While each RDC would continue to conduct and fund its own research, the initiative would enable a more coordinated approach to biosecurity research.²⁵ The seven RDCs will establish a program management agreement to formalise the arrangements.²⁶

3.27 The committee requested details of the process by which R&D priorities were identified. Officers described initiatives being undertaken with other RDCs as well as national committees and subcommittees to develop a national set of priorities.²⁷

Wool Innovation Australia

3.28 The committee considered representation issues in relation to Wool Innovation Australia. The committee heard that there are 39,000 eligible levy payers in the industry while only 24,000 shareholders get to vote in the Wool Innovation Australia board.²⁸

3.29 The role of the Industry Consultative Committee (ICC) was also considered. The ICC provides a forum for the diverse wool industry covering wool producers to the breeders. The committee was informed that there were efforts underway to expand the ICC to include farming groups such as the ASHEEP group in Esperance.²⁹

Grains Research and Development Corporation

3.30 The committee asked about the final phase of a restructure of Grains Research and Development Corporation (GRDC). It was completed in mid-May resulting in the redundancy of 17 positions. The 17 staff members were offered the opportunity to redeploy, with the process expected to be finalised in late May 2017.³⁰

Australian Meat Processor Corporation

3.31 The committee pursued information about the role of the Australian Meat Processor Corporation (AMPC) in regard to the negotiation of free trade agreements. AMPC will usually provide submissions around such agreements based on research commissioned by the Australian Meat Industry Council (AMIC).

3.32 One such major piece of research undertaken by the AMPC is its sectoral survey. Following a Feast of Ideas event, AMPC undertook a sustainability report which identified six key areas for research in the sector including international competitiveness, the regulatory environment, value chain integration, changing consumer patterns, a social license to operate, and climate change. The report

25 *Proof Hansard*, 24 May 2017, p. 92.

26 *Proof Hansard*, 24 May 2017, p. 93.

27 *Proof Hansard*, 24 May 2017, p. 93.

28 *Proof Hansard*, 24 May 2017, p. 101.

29 *Proof Hansard*, 24 May 2017, p. 102.

30 *Proof Hansard*, 24 May 2017, p. 102.

provided the basis for AMPC's strategy regarding appropriate research for sustainability in the sector.³¹

Australian Pesticides and Veterinary Medicines Authority

3.33 The committee continued its examination of the relocation of the Australian Pesticides and Veterinary Medicines Authority (APVMA) to Armidale and consequences for its workforce. In particular, the committee focused its attentions on the APVMA's timeframe performance, vacancies and staff morale.

3.34 The committee was informed that timeframe performance for the registration of new pesticides fell from:

- 82 per cent in September 2016; to
- 50 per cent in December 2016; to
- 30 per cent in March 2017.³²

3.35 APVMA identified two factors to explain the fall in performance over this period. Firstly, an increase in applications, and in particular, non-technical applications which peaked at 192. The number of applications received over the past quarter was the highest that APVMA has received for at least 18 months.³³ However, APVMA emphasised that the way its performance statistics are calculated under the new legislation is different to previous calculations.³⁴

3.36 The committee also made inquiries about staff vacancies, learning that as at 15 May, there were 31 vacancies across the APVMA with current full-time equivalent staff at 202 positions (including 82 regulator scientists).³⁵ Historically, APVMA has employed approximately about 100 regulatory scientists. This means that the separation rate has increased by 8 per cent from the 2015–16 rate of 18.7 per cent.³⁶

3.37 The committee heard that \$25.6 million over six years has been dedicated to the relocation of APVMA to Armidale.³⁷ A transition office was opened in Armidale on 27 April with the agency in the process of recruiting two locally engaged staff. The transition office, co-located within the Department of Human Services, has five workstations with capacity to provide up to 15 workstations as staff numbers grow.³⁸ By 2019, the full complement of staff of up to 150 personnel, are expected to be located in Armidale.³⁹

31 *Proof Hansard*, 24 May 2017, p. 108.

32 *Proof Hansard*, 25 May 2017, p. 6.

33 *Proof Hansard*, 25 May 2017, p. 6.

34 *Proof Hansard*, 25 May 2017, pp. 7, 17–18.

35 *Proof Hansard*, 25 May 2017, p. 7.

36 *Proof Hansard*, 25 May 2017, p. 7.

37 *Proof Hansard*, 25 May 2017, p. 13.

38 *Proof Hansard*, 25 May 2017, p. 13.

39 *Proof Hansard*, 25 May 2017, p. 12.

Australian Bureau of Agricultural and Resources Economics and Sciences

3.38 The committee focused its questions to the Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES) on its recent Labour Force report which revealed that half of the surveyed farmers in the horticulture and vegetable sector with over 20 staff had difficulties in recruiting labour.⁴⁰

3.39 The committee also considered export earnings which are expected to increase in 2017–18 to \$48.7 billion from \$47.7 billion in 2016–17. The rise in export earnings reflects increased earnings from livestock and livestock products which have partially offset a fall in the value of crop exports. In Japan, for example, the value of Australian exports of beef and veal rose by 5 per cent over the first nine months of 2016–17 compared to 2015–16. The value of vegetable exports rose 14 per cent for the same period while tree nuts (such as almonds and macadamias) rose by 38 per cent.⁴¹

Finance and Business Support Division, Corporate Strategy and Governance Division, Information Services Division, Service Delivery Division, Office of General Counsel

3.40 The committee focused its attentions on staffing levels, and in particular a decrease of 49 officers allocated to outcome 1.⁴² Officers explained that the decrease in numbers was a direct result of the termination of the Carbon Farming Futures program. In addition, there was funding appropriated to the department for the National Landcare Program which will cease at the end of 2016–17.⁴³

3.41 The committee pursued issues regarding the department's use of labour hire companies to source staff and was informed that the department uses a mix of resources between ongoing permanent staff (5271) and contract staff (226), depending on resourcing levels.⁴⁴ Contractors are sourced from approximately 590 different labour hire firms.⁴⁵

3.42 The committee also explored the Indigenous rangers program. The program is set to grow from the current 40 groups to 68. As part of efforts to prevent food-and-mouth disease, the rangers are engaged in taking blood samples from feral animals and assist in managing the sentinel herds to detect potential diseases.⁴⁶ The committee heard that a tropical biosecurity curriculum is being developed. The department noted that a Torres Strait Islander ranger group serves as a front line in the detection of exotic fruit fly.⁴⁷

40 *Proof Hansard*, 25 May 2017, p. 29.

41 *Proof Hansard*, 25 May 2017, p. 31.

42 *Proof Hansard*, 25 May 2017, p. 37.

43 *Proof Hansard*, 25 May 2017, p. 37.

44 As at March 2017. *Proof Hansard*, 25 May 2017, pp. 37–39.

45 *Proof Hansard*, 25 May 2017, p. 55.

46 *Proof Hansard*, 25 May 2017, p. 41.

47 *Proof Hansard*, 25 May 2017, p. 42.

Farm Support Division

3.43 The committee inquired about the establishment of the Regional Investment Corporation (RIC) which is expected to be operational from 1 July 2018. As a corporate Commonwealth entity, the RIC will sit within the agriculture and water resources portfolio and will be transferred responsibility for the National Water Infrastructure Loan Facility and the farm concessional loans program.⁴⁸

3.44 The committee considered the Farm Household Allowance scheme and eligibility requirements for concessional loans. Officers explained that relevant farmers have relatively high levels of commercial debt and that concessional loans could assist in restructuring debt, lowering interest payments and adding to cash flow.⁴⁹ The scheme operates under the Intergovernmental Agreement on National Drought Program Reform which is due to expire in 2017. The committee heard that it is expected that a review will be undertaken this year.⁵⁰

3.45 The committee asked questions about the Rural Research and Development for Profit program, in particular, about investment in rural R&D to the following programs:

- \$4 million – Centre for Invasive Species Solutions;
- \$4 million – Northern Australia Rice industry; and
- \$2 million – commodity milk price index as part of the Dairy Industry Assistance Package.⁵¹

Sustainable Agriculture, Fisheries and Forestry Division

3.46 In June 2016, the Forest Industry Advisory Council (FIAC) released its report, *Transforming Australia's forest products industry – Recommendations from the Forest Industry Advisory Council*. The committee sought information about the government's response to the FIAC report and the prioritisation of recommendations.⁵² The committee heard that a number of recommendations to the Commonwealth, state and territory governments and industry are already being implemented.

3.47 The committee was informed that FIAC has been asked by the government to identify some initiatives to action while at the same time, Commonwealth, state and territory officials will meet to develop an implementation plan.⁵³

3.48 Other matters pursued during this session included the Regional Forest Agreements and recovery of Leadbeater's possum numbers in Victoria.⁵⁴

48 *Proof Hansard*, 25 May 2017, p. 43.

49 *Proof Hansard*, 25 May 2017, p. 44.

50 *Proof Hansard*, 25 May 2017, p. 44.

51 *Proof Hansard*, 25 May 2017, pp. 47–48.

52 *Proof Hansard*, 25 May 2017, p. 56.

53 *Proof Hansard*, 25 May 2017, p. 56.

54 *Proof Hansard*, 25 May 2017, pp. 61, 65–66.

Agricultural Policy Division

3.49 The committee pursued information about beef exports and maintaining the national herd.⁵⁵

3.50 The committee also focused its attention on the sugar code. It was informed that the sugar code, which relates to the ability of relevant parties to reach agreement, was being developed by the Treasury in consultation with the department. The code was announced on 29 March and it came into effect on 5 April 2017. A review is foreshadowed in the code within 18 months.⁵⁶

Trade and Market Access Division

3.51 The committee asked about the process by which protocols are put in place to allow Australian producers access to markets in other countries.⁵⁷

3.52 The committee also pursued information about free trade agreements. China is our largest agriculture, food, fisheries and forestry export market with a worth of \$9.9 billion. Japan is the second largest export market for Australia with a worth of \$4.7 billion and Korea is the fifth, worth \$3 billion. When entered into force on 12 December 2013, agricultural exports to Korea were valued at \$2.6 billion. In 2016, and following four tariff cuts, Australian exports reached \$3 billion.⁵⁸

Fisheries Research and Development Corporation

3.53 The committee considered the proposed release of the herpes virus to control the common carp. A decision about the release will be made by December 2018.⁵⁹ Estimates suggest that there may be somewhere between 500,000 and 2 million tonnes of carp in Australia's waterways.⁶⁰

3.54 An allocation of \$50 million has been provided to the National Carp Control Plan of which \$10.211 million has been allocated to key planning activities including:

- \$2.421 million for administration and collaboration;
- \$4.725 million for communication and engagement activities; and
- \$5.064 million for research, monitoring and evaluation activities.⁶¹

3.55 Officials explained that the carp virus is a DNA virus which is less prone to mutation when compared to RNA viruses. The carp virus is specific to carp and can

55 *Proof Hansard*, 25 May 2017, pp. 68–69.

56 *Proof Hansard*, 25 May 2017, p. 72.

57 *Proof Hansard*, 25 May 2017, p. 72.

58 *Proof Hansard*, 25 May 2017, p. 74.

59 *Proof Hansard*, 25 May 2017, p. 82.

60 *Proof Hansard*, 25 May 2017, p. 85.

61 *Proof Hansard*, 25 May 2017, p. 81.

only live in carp and no other native species. The committee was informed that it is already present in 33 countries.⁶²

Australian Fisheries Management Authority

3.56 In response to questions, the committee was informed that in April, an independent Australian Fisheries Management Authority commission approved an 18-month trial of pair trawling. The trial was approved on the basis that it would provide information to assess whether or not pair trawling poses any higher risk than existing approved methods of mid-water trawl and purse seining in the small pelagic fishery.⁶³

62 *Proof Hansard*, 25 May 2017, pp. 82–84.

63 *Proof Hansard*, 25 May 2017, p. 89.

Chapter 4

Murray-Darling Basin Plan matters

4.1 On 28 March 2017, the Senate amended an order of the Senate of 8 November 2016 relating to the hearings for the 2017–18 Budget estimates to include a cross-portfolio estimates hearing on Murray-Darling Basin Plan matters. In accordance with the order, the hearing was held on 26 May 2017 for a total of 6 hours and 5 minutes.

4.2 This chapter outlines the key issues considered during the 2017–18 Budget estimates hearings for the matters relating to the Murray Darling Basin Plan.

4.3 On 26 May 2017, the committee heard evidence from the following:

- Water Division, Department of Agriculture and Water Resources (DAWR);
- Murray-Darling Basin Authority (MDBA); and the
- Commonwealth Environmental Water Holder, Department of Environment and Energy.

4.4 Many of the issues considered during the hearing crossed over the three respective bodies. The presence of officials from all three agencies throughout the day was appreciated by the committee.

4.5 Officers from the DAWR first provided an outline of the functions of the respective bodies. DAWR is responsible for the overall policy and some programs, particularly those focused on recovering water. The MDBA is responsible for policy relating to the plan while working on the Murray River and the Commonwealth Environmental Water Holder manages the Commonwealth environmental water holding of 2,509 gigalitres to protect and restore the basin's environmental assets.¹

4.6 Issues considered by the committee included:

- National Water Infrastructure Development Fund;²
- Murray-Darling Basin Plan;
- buybacks;
- projects in the Coorong-Murray Mouth;³
- Northern Basin Review, including consultation with local Indigenous groups;⁴
- feasibility studies⁵; and

1 *Proof Hansard*, 26 May 2017, p. 39.

2 *Proof Hansard*, 26 May 2017, pp. 3–4

3 *Proof Hansard*, 26 May 2017, p. 6.

4 *Proof Hansard*, 26 May 2017, p. 8.

5 *Proof Hansard*, 26 May 2017, p. 25.

- the basis of water policy.⁶

National Water Infrastructure Development Fund

4.7 The \$500 million National Water Infrastructure Development Fund increased in value to \$509 million through two white papers: the *Agriculture Competitiveness White Paper* and the *White Paper on Developing Northern Australia*.⁷

4.8 Questions were asked by the committee about the feasibility studies conducted under the fund of which there are 39 across the country. As an example, a feasibility and technical assessment of the Emu Swamp Dam in Queensland received a grant of \$3.97 million.⁸

Murray-Darling Basin Plan

4.9 In relation to current progress towards recovery, as of 30 April, there were 2,050 gigalitres of water including water held as well as contracted.⁹ The gap, between 2,050 and the target 2,750 gigalitres, is expected to be addressed through the sustainable diversion limit (SDL) adjustment mechanism which provides for ways in which environmental water can be used more effectively.¹⁰ According to advice from the MDBA, there is a prospect of an SDL adjustment amounting to around 650 gigalitres, which would go a substantial way towards bridging the remaining gap.¹¹ The committee sought clarification about the supply measures to offset the water recovery target and the process by which the SDL can be amended.¹²

4.10 The committee focused its attentions on the plan and efforts to use the water more effectively to achieve environmental outcomes with minimum social and economic impact, as well as supply measures, infrastructure, efficiency and constraint measures.¹³ In particular, there was a lengthy discussion about the recovery of 450 gigalitres of additional environmental water (or up-water) through efficiently measures.

4.11 The committee asked questions about buybacks. It was informed that an amendment capped the amount of water that can be purchased from buybacks at 1,500 gigalitres. In terms of expenditure on buybacks, the committee was informed that as at 31 March 2017, \$5.742 billion had been spent or contracted. Overall, the total allocation for water recovery infrastructure and purchase is \$6.638 billion.¹⁴

6 *Proof Hansard*, 26 May 2017, p. 29.

7 *Proof Hansard*, 26 May 2017, p. 4.

8 *Proof Hansard*, 26 May 2017, p. 25.

9 *Proof Hansard*, 26 May 2017, p. 4.

10 *Proof Hansard*, 26 May 2017, pp. 4–5.

11 *Proof Hansard*, 26 May 2017, p. 5.

12 *Proof Hansard*, 26 May 2017, pp. 20–23.

13 *Proof Hansard*, 26 May 2017, pp. 20–37, 49–52.

14 *Proof Hansard*, 26 May 2017, p. 6.

Northern Basin Review

4.12 In 2012, a review of northern basin settings was launched. This led to a series of consultation sessions in 2016. In November 2016, the MDBA released a report which set out the outcomes of the review and proposed that the northern basin water recovery target be reduced from 390 to 320 gigalitres.¹⁵ Release of the review report led to period of public consultation from November 2016 to February 2017.

4.13 In mid-June, the MDBA is expected to hear views from state ministers about whether its recommendations are supported. Thereafter, the MDBA will present its amendment to the Minister for Agriculture and Water Resources for consideration.¹⁶

Role of the Commonwealth Environmental Water Holder

4.14 The committee considered the mandated outcomes of the Commonwealth Environmental Water Holder. The Basin Plan and the basin-wide environmental watering strategy dictate the expected environmental outcomes to which the water holder contributes through the use of Commonwealth environmental water.¹⁷

4.15 For example, the water holder informed the committee that in the northern part of the basin in NSW where the rivers flow more freely, environmental watering is a different challenge to that in other parts of the basin.¹⁸ The point was made that, as it is a working basin and a major producer of food and fibre, environmental watering is directed at outcomes that take account of that reality.¹⁹ The committee heard that the water holder's aim is to deliver a series of river healthy objectives.²⁰

Senator Barry O'Sullivan

Chair

15 Murray–Darling Basin Authority, *The Northern Basin Review – Understanding the economic, social and environmental outcomes from water recovery in the northern basin*, November 2016, p. 4, <<https://www.mdba.gov.au/sites/default/files/pubs/Northern-basin-review-report-FINAL.pdf>> (accessed 15 June 2017).

16 *Proof Hansard*, 26 May 2017, p. 9.

17 *Proof Hansard*, 26 May 2017, p. 40.

18 *Proof Hansard*, 26 May 2017, p. 41.

19 *Proof Hansard*, 26 May 2017, p. 42.

20 *Proof Hansard*, 26 May 2017, p. 48.

Appendix 1

Documents tabled

Infrastructure and Regional Development portfolio

1. Infrastructure spending by state 2013-14 to 2019-20, Question on notice from Additional Estimates 2016-17, received from the Department of Infrastructure and Regional Development, on 22 May 2017.
2. List of projects, received from Mr Mrdak, Secretary, Department of Infrastructure and Regional Development, on 22 May 2017.
3. Opening statement, received from the Australian National Audit Office, on 23 May 2017.
4. Correspondence from Dr Gate to Mr Carmody, Acting CEO of CASA, dated 20 March 2017, received from Senator Xenophon, on 23 May 2017.
5. Correspondence from Dr Gates to Mr Carmody, Acting CEO of CASA, dated 20 April 2017, received from Senator Xenophon, on 23 May 2017.
6. Correspondence from Mr Carmody, Acting CEO of CASA to Dr Gates, dated 8 May 2017, received from Senator Xenophon, on 23 May 2017.
7. Opening statement, received from Mr Hood, Chief Commissioner of Australian Transport Safety Bureau, on 23 May 2017.

Agriculture and Water Resources portfolio

1. Reports to Parliament from the Department of Agriculture and Water Resources regarding livestock mortalities on every sea voyage from 2009 to 2016, received from Senator Back, on 24 May 2017.
2. Opening statement, received from Ms Connell, Deputy Secretary, Department of Agriculture and Water Resources, on 24 May 2017.
3. 'Report into the cause of white spot syndrome virus outbreak in the Logan River area of Queensland - December 2016' - Interim report, received from the Department of Agriculture and Water Resources, on 24 May 2017.
4. 'Uncooked raw prawn imports, March 2016-Nov 2016', received from the Department of Agriculture and Water Resources, on 24 May 2017.
5. French plants belonging to the National Museum of Natural History incinerated by Australian biosecurity services, received from Senator Rice, on 24 May 2017.

6. 'Barnaby Joyce opens new pesticides office', News Limited article dated 27 April 2017, received from Senator Carr, on 25 May 2017.
7. 'Indigenous Ranger Groups' map, received from Ms Connell, Deputy Secretary, Department of Agriculture and Water Resources, on 25 May 2017.

Appendix 2

Additional Information received

Agriculture and Water Resources portfolio

1. Correspondence received 2 June 2017 from Ms Fran Freeman, First Assistant Secretary, Agricultural Productivity, Department of Agriculture and Water Resources, clarifying evidence given on 25 May 2017.
2. Correspondence received 2 June 2017 from Ms Lara Musgrave, Assistant Secretary, Rural Research and Innovation, Department of Agriculture and Water Resources, clarifying evidence given on 25 May 2017.
3. Correspondence received 6 June 2017 from Mr Paul Ross, Acting First Assistant Secretary, Trade and Market Access Division, Department of Agriculture and Water Resources, clarifying evidence given on 25 May 2017.
4. Correspondence received 6 June 2017 from Mr Paul Morris, First Assistant Secretary, Water Division, Department of Agriculture and Water Resources, clarifying evidence given on 26 May 2017.
5. Correspondence received 6 June 2017 from Mr Ian Thompson, First Assistant Secretary, Sustainable Agriculture, Fisheries and Forestry Division, Department of Agriculture and Water Resources, clarifying evidence given on 25 May 2017.
6. Correspondence received 16 June 2017 from Mr Peter Rizzo, Chief Executive Officer, Australian Meat Processor Corporation, Department of Agriculture and Water Resources, clarifying evidence given on 24 May 2017.

Infrastructure and Regional Development portfolio

1. Correspondence received 9 June 2017 from Mr Mick Kinley, Chief Executive Officer, Australian Maritime Safety Authority, Department of Infrastructure and Regional Development, clarifying evidence given on 23 May 2017.