

**Rural and Regional Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates November 2013

**Agriculture**

**Question: 28**

**Division/Agency:** Agricultural Productivity Division

**Topic:** Beef market

**Proof Hansard page:** 54

**Senator FARRELL asked:**

**Senator FARRELL:** I understand we have access to the high-quality beef market through a 7,000-tonne quota. What other quotas are available to exporters to access that market?

**Mr Murnane:** There is also a shish meat quota into the European Union.

**Mr Read:** In addition, there is a global quota available to the European Union of some 40,000 tonnes, which Australia is currently accessing also.

**Senator FARRELL:** That is on a first in, best dressed basis?

**Mr Read:** It is MFN, I meant—most favoured nation. As you say, it is first in, best dressed. It is also allocated to European importers, so they control the quota on their side.

**Senator FARRELL:** What has been our success?

**Mr Read:** There is a lot of opportunity with that quota. We have been very successful in the volume of product we have put against that quota.

**Senator FARRELL:** So, in addition to the 7,000 tonnes, what do we typically get as our share of the 40,000-tonne quota?

**Mr Read:** I am not sure I have that number with me, but I can take it on notice.

**Answer:**

EU Grainfed Beef Quota

Financial Year	Quota amount (tonne)	Amount shipped (tonne)	% shipped
2013-14 (as at 30 October 2013)	48 200	6 222	13
2012-13	48 200	8 903	18
2011-12	20 000	4 607	23
2010-11	20 000	3 775	19

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**Agriculture**

**Question:** 29

**Division/Agency:** Agricultural Productivity Division

**Topic:** Other countries – beef quota

**Proof Hansard page:** 54

**Senator FARRELL asked:**

**Senator FARRELL:** What other countries would be competitors for using that quota?

**Mr Read:** The United States and Canada.

**Senator FARRELL:** None of the South American countries.

**Mr Read:** Not that I am aware, but again I will take that on notice.

**Answer:**

Australia has access to the European Union high quality grain fed beef quota of 48 200 tonnes. Other countries that can also access the quota are the United States, Canada, New Zealand and Uruguay.

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**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates November 2013

**Agriculture**

**Question:** 30

**Division/Agency:** Agricultural Productivity Division

**Topic:** I-Fed

**Proof Hansard page:** Written

**Senator MACDONALD asked:**

1. What is the Department doing to assist the proponents of the I-Fed project on the Gilbert River in North-west Queensland?
2. Does DAFF have purview over any of the approvals processes for the I-Fed project?

**Answer:**

1. I-Fed is privately funded with assistance being provided by the Department of Infrastructure and Regional Development, CSIRO and the Queensland Government through the Queensland Department of Agriculture, Fisheries and Forestry.
2. No.

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Supplementary Budget Estimates November 2013

**Agriculture**

**Question:** 36

**Division/Agency:** Agricultural Productivity Division

**Topic:** Simplot

**Proof Hansard page:** Written

**Senator STERLE asked:**

Is it true Simplot is the last is the only remaining frozen vegetable processor in Australia?

**Answer:**

Food processing policy is a matter for the Industry portfolio.

**Rural and Regional Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

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**Agriculture**

**Question: 37**

**Division/Agency:** Agricultural Productivity Division

**Topic:** Simplot on-going viability

**Proof Hansard page:** Written

**Senator STERLE asked:**

Are you aware that Simplot was warned of questions over its on-going viability due largely to import competition and the high Australian dollar?

**Answer:**

No

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**ANSWERS TO QUESTIONS ON NOTICE**

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**Agriculture**

**Question: 38**

**Division/Agency:** Agricultural Productivity Division

**Topic:** Simplot viability

**Proof Hansard page:** Written

**Senator STERLE asked:**

Are you further aware that both Simplot and the growers which supply it have argued that with the right productivity investment it believes it can secure the viability of the domestic industry?

**Answer:**

Yes

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**ANSWERS TO QUESTIONS ON NOTICE**

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**Agriculture**

**Question:** 39

**Division/Agency:** Agricultural Productivity Division

**Topic:** Grants offered to Simplot and the growers

**Proof Hansard page:** Written

**Senator STERLE asked:**

Are you familiar with grants offered by the former government to both Simplot and the growers to improve productivity?

**Answer:**

The Department of Agriculture is aware of an election commitment by the former government to provide Simplot with \$18 million for infrastructure upgrades and \$10 million for vegetable growers supplying Simplot.

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**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates November 2013

**Agriculture**

**Question:** 40

**Division/Agency:** Agricultural Productivity Division

**Topic:** Absence of assistance to Simplot

**Proof Hansard page:** Written

**Senator STERLE asked:**

Do you agree that in the absence of assistance a dark cloud hangs over Simplot and its growers and if so, is the assistance likely to be forthcoming?

**Answer:**

Food processing policy is a matter for the Industry portfolio.



**Agriculture**

**Question: 41**

**Division/Agency:** Agricultural Productivity Division

**Topic:** Department to investigate Horticulture Australia Limited's conflict-of-interest.

**Proof Hansard page:** Written

**Senator STERLE asked:** The Former Minister directed the Department to investigate HAL's conflict of interest matters. What is the status of that work?

**Answer:**

The department has published a report on its website that details the findings of its investigation of claims that conflicts-of-interest were affecting Horticulture Australia Limited's (HAL) industry advisory committee (IAC) system. The web address for the report is:

[www.daff.gov.au/agriculture-food/hort-policy/investigation-of-claims-of-a-conflict-of-interest-affecting-the-advice-offered-to-horticulture-australia-ltd-by-its-citrus-and-avocado-industry-advisory-committees](http://www.daff.gov.au/agriculture-food/hort-policy/investigation-of-claims-of-a-conflict-of-interest-affecting-the-advice-offered-to-horticulture-australia-ltd-by-its-citrus-and-avocado-industry-advisory-committees)

In response to the findings of the investigation, HAL agreed to implement a range of measures to strengthen its governance arrangements. These were to:

1. Re-establish its IACs to ensure less than 50 per cent Peak Industry Body (PIB) representation of all IACs with annual levy expenditure greater than \$250 000.
2. Appoint an Independent Officer to each IAC to assist with governance, manage the implementation of procurement guidelines and improve risk management. The Independent Officers will report to HAL's Company Secretary and the Board.
3. Introduce procurement guidelines.

In addition, the terms of reference for HAL's current performance review were expanded to require a comprehensive review of HAL's governance arrangements, which have been in place since 2001. This review has commenced. ACIL Allen is the independent organisation conducting the review. HAL has established a steering committee to guide the review, including Mr Andrew Inglis OA (independent chair), two HAL member representatives, two levy payer representatives, two rural research and development corporation experts, and a representative from the Department of Agriculture.

A program of consultation commenced in November 2013 and will continue until mid February 2014. A discussion paper identifying findings from the review of HAL's past performance, the HAL governance model, the levy system and suggesting possible options for change is available at: [www.acilallen.com.au/halreview](http://www.acilallen.com.au/halreview)

The final report of the review will be delivered to the Minister and the HAL Board by 3 May 2014.

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**Agriculture**

**Question: 46**

**Division/Agency:** Agricultural Productivity Division

**Topic:** Beef Market Quotas

**Proof Hansard page:** Written

**Senator STERLE asked:**

1. We have access to the European Union's high quality beef market through a 7000 tonne quota, what other quotas are available to exporters to access that market?
2. There is a separate 40,000 tonne global quota – which operates on a first in best dressed basis. Is Australia able to access that quota? If, not what is the process to be followed to allow us access.
3. I understand that the department has been working on the necessary administrative arrangements to tap into this quota – and that involves ensuring that EU officials are happy with audit arrangements in Australia. So that is not a political process that needs to be finalised but an administrative process at official's level? When did this work commenced?
4. I assume we have had officials travel over to the EU as part of this process – how many visits have there been – and who usually travels
5. Where is the process up to and when will it be signed off?

**Answer:**

1. Australia has access to four other global quotas for the export of beef products into the European Union (EU):
  - EU high quality grain fed beef quota of 48 200 tonnes
  - General Agreement on Tariffs and Trade frozen beef/veal 53 000 tonnes
  - Frozen manufacturing beef 63 703 tonnes
  - Frozen thin skirt 800 tonnes.
2. Yes.
3. Work was completed in 2009.
4. Due to the diverse range of issues covered when senior departmental officers travel to the EU, the number of visits that addressed quota access cannot be quantified.
5. Please refer to the answer to Question 3.

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**Question: 47**

**Division/Agency:** Agricultural Productivity Division

**Topic:** Funding for Rural Research and Development Corporations

**Proof Hansard page:** Written

**Senator STERLE asked:**

1. The Government has committed an additional \$100 million in funding for the Rural Research and Development Corporations. Over what period will that funding be provided?
2. Will it be for just one year or spread over the forward estimates?
3. How will these funds be allocated across the 15 corporations – will they bid for the funds or will there be a general distribution of funds?
4. If the corporations are required to bid for funding who will be the decision maker – the Minister or the Department – or some independent panel.

**Answer:**

The Government's election commitment is to provide an additional \$100 million in funding for the rural research and development corporations over a period of four years from 2014-15. The details of how this funding is to be allocated will be considered by the government.