

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 3

Division/Agency: Agricultural Policy Division

Topic: Extracts from notebook

Proof Hansard page: 24

Senator CAMERON asked:

Senator CAMERON: Ms Freeman, can you table extracts from your notebook in relation to this issue?

Ms Freeman: Certainly. There is no issue with that. I think the other point, which I will also check, is that I had staff with me from my R&D governance area who might also have appropriate notes for this.

Senator CAMERON: Is R&D governance internal to the department?

Ms Freeman: Yes, it is.

CHAIR: Can I just bring the meeting to order. If there are notes in a notebook that might be subject to an order from the court as evidence, my view is that you should withdraw that request, Senator Cameron.

Senator CAMERON: No, I will not.

CHAIR: As the chair, my advice to the department is that you would be encroaching, possibly, on legal proceedings—and there is a political purpose here.

Mr Quinlivan: That is a technical question, Chair, and a good one, so in taking this on notice and considering a response, we will take advice.

Answer:

There are current legal proceedings yet to be resolved, including a criminal prosecution. It would not be appropriate to disclose material that could prejudice these matters.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 4

Division/Agency: Agricultural Policy Division

Topic: Department became aware of HIAL fraud

Proof Hansard page: 25

Senator CAMERON asked:

Senator CAMERON: I am well aware of that. I am interested in the department at the moment, not the authority. When did the department first know about this?

Ms Freeman: I would have to check my diary but I understand it was the day after the matter came to the attention of HIA. Again, I would be confirming the dates in my diary.

Senator CAMERON: You don't have your diary with you?

Ms Freeman: No, I do not, Senator.

Senator CAMERON: So, Mr Quinlivan, when were you advised—do you remember?

Mr Quinlivan: I recall the conversation but not the precise date.

Ms Freeman: It was the same day.

Mr Quinlivan: It will be reflected in the advice.

Senator CAMERON: Can we check your diary during the break and get the date for that?

Ms Freeman: It would be in a cupboard in my office down at the department, because I have moved onto another one. Realistically—

Answer:

Horticulture Innovation Australia Limited (HIAL) Chief Executive Officer, Mr John Lloyd, contacted departmental officers on 9 July 2015 to request a meeting. This was followed by a meeting between departmental officers and HIAL on 10 July 2015 to discuss the incident.

Ms Freeman advised the Secretary on 10 July 2015.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 5

Division/Agency: Agricultural Policy Division

Topic: HIAL fraud

Proof Hansard page: 25-26

Senator CAMERON asked:

Senator CAMERON: Can you provide us with copies of those updates? Can you provide us with copies of all correspondence, file notes and details of telephone discussions on this issue.

Mr Quinlivan: Subject to the caveat previously about the relationship with the prosecution

ACTING CHAIR (Senator GALLACHER): The chair has just stepped out, but I think that is an entirely different issue. This is a process about public funds under the purview of the department. There has been some corruption, a misappropriation or embezzlement, and we are talking about protocol and procedure about your department.

Mr Quinlivan: No, we are not. I am agreeing with you.

ACTING CHAIR: We are; I do not know what you are talking about.

Mr Quinlivan: I am agreeing with you that it is an important matter and I am saying that we will provide the documents providing they do not create any difficulties for the prosecution. Surely, that is how you would want us to handle the issue.

Answer:

There are current legal proceedings yet to be resolved, including a criminal prosecution. It would not be appropriate to disclose material that could prejudice these matters.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 6

Division/Agency: Agricultural Policy Division

Topic: Statutory funding agreement – HIAL

Proof Hansard page: 27

Senator CAMERON asked:

Ms Freeman: We have a statutory funding agreement with them, and we are happy to provide you with a copy of that. It would outline all of their relevant responsibilities under that.

Senator CAMERON: Okay, could do that. Could you also advise me of their financial management obligations to the department?

Ms Freeman: I should say at the outset that as a company they are driven by the Corporations Act, so that would be guiding that oversight, but I will include all the details.

Senator CAMERON: Ms Freeman, it is not as simple as that. You deal with corporations all the time. If they get grants from the department they are subject to checks and balances and oversight and rules from the department. What are the checks and balances and oversight and rules relating to this private company? What are their obligations on financial accountability to the department? That is the question I am asking.

Ms Freeman: Yes, and they are detailed in the statutory funding agreement.

Senator CAMERON: But you are telling me about them now.

Ms Freeman: I do not have a copy of it in front of me, but I am happy to—

Senator CAMERON: You do not know.

Ms Freeman: They are wide and varied, Senator, and I am happy to provide you with a copy of that.

Senator CAMERON: Can anyone sitting at the table give me any indication about what this corporation's responsibilities are to the department in relation to financial accountability? I cannot believe that nobody can.

Mr Quinlivan: We do not have the service level agreement here with us, but we will have later and we can go through them then.

Senator CAMERON: When will we have that?

Mr Quinlivan: We will get a copy of it as soon as we can, and we are happy to take you through the obligations of that.

Question: 6 (continued)

Answer:

Horticulture Innovation Australia Limited (HIAL) is a registered Australian Public Company under the *Corporations Act 2001* and is the declared industry services body for the Australian horticulture industry under the *Horticulture Marketing and Research and Development Services Act 2000* (the HMRDS Act). The declaration was made on 18 November 2014, with effect from 25 November 2014.

As a separate legal entity from the Commonwealth of Australia, the HIAL Board is responsible for directing the company's operations.

The HIAL Board is accountable to levy payers through the Corporations Act and to the Minister for Agriculture and Water Resources through the HMRDS Act. The HMRDS Act provides for a deed of agreement to determine conditions related to HIAL's role as a declared body. The current deed of agreement is the Deed of Agreement 2014-18 and a copy is available at: horticulture.com.au/wp-content/uploads/2014/10/2014-11-18-Contract-Deed-of-Agreement-2014-18.pdf.

General duties imposed by the Corporations Act on HIAL's Directors include duties to exercise their powers and duties with care and diligence, to act in good faith in the best interests of the company, and to not improperly use their position to the detriment of the company.

The Deed of Agreement 2014-18 requires HIAL to provide copies of key corporate documents to the department following their approval by the Board; seek the Minister's approval for its strategic plan; ensure expenditure is consistent with its strategic plan; and provide an annual compliance audit report which includes an independent opinion on whether HIAL has materially complied with its financial obligations and an annual certification report from the Chair and Chief Executive Officer certifying that HIAL has complied with its financial obligations under the agreement.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 7

Division/Agency: Agricultural Policy Division

Topic: Changes to secure levy funds and public money

Proof Hansard page: 28

Senator CAMERON asked:

Senator CAMERON: That is fine, but I just find it, again, a bit disconcerting that the department would know that there has been a fraud in the company that you have got a stake in basically. And nothing has changed from the department in terms of oversight. You cannot tell me whether you have asked for any changes. Let me ask: Have you asked for any changes to secure levy money and to secure public money arising from this fraud?

Mr Glyde: Ms Freeman has taken you through some of the changes, the generality of the changes, that HIAL itself has made to try to make sure it tightens up its own procedures, and we have been satisfied with those.

Senator CAMERON: Have they provided you in writing what changes they are instigating to secure levy funds and public money?

Ms Freeman: I would take the specifics on notice, Senator. We have a regular catch up with the chairman and the CEO of HIA, and that would be included in those matters for discussion, which are scheduled in a matter of weeks. I also understand from talking to the CEO that they have done a number of things to tighten their fraud measures and we may have the informed in writing by my staff, I can check that. They are aware that they need to tighten the matters, they have done that and we are seeking details of that. We can provide you with that when we have them.

Answer:

The Department of Agriculture and Water Resources provided comments on the Horticulture Innovation Australia Limited (HIAL) Fraud Control Plan on 14 October 2015.

On 10 July 2015 HIAL advised the department in writing that it had implemented a number of measures. For further details the committee is referred to the information provided by Mr John Lloyd, Chief Executive Officer of HIAL and recorded in the Proof Committee Hansard of 20 October 2015 (pp 95-96).

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 8

Division/Agency: Agricultural Policy Division

Topic: HIAL changes

Proof Hansard page: 28

Senator CAMERON asked:

Senator CAMERON: I just want to alert you that, when a public servant tells me that they understand something, the next question I always ask is: what do you understand? What do you know about the changes?

Ms Freeman: Basically, what we know regarding what HIA did under their existing arrangements in response to the alleged fraudulent activity is that they dismissed the employee on the same day that the forgery of invoices was confirmed; they undertook an internal audit investigation; they implemented their internal interim audit measures whereby authorisation of invoices greater than \$10,000 required two executive signatures; they briefed the board of HIA and officers of the Department of Agriculture, who immediately informed staff of the Minister for Agriculture's office; they notified their insurer; they briefed senior counsel and external lawyers to put on an urgent application for freezing orders over the assets of the dismissed employee; they notified the fraud squad of the New South Wales Police; they undertook further internal investigations by way of random auditing of invoices not involving the dismissed employee; and they met with their appointed forensic accountants to proceed to further investigate the dismissed employee's actions.

Senator CAMERON: Can you table that document?

Ms Freeman: That is fine. I do not think there is any element with providing that in terms of the investigation.

Senator CAMERON: Is that document based on a written report from the corporation to you?

Ms Freeman: Correct.

Senator CAMERON: So can you table the written report?

Ms Freeman: Yes.

Question: 8 (continued)

Senator CAMERON: So you will table the written report and you will table that shorthand outcome from the written report. Can we get that as soon as practicable? We should certainly be about to get that document now. We want to be able to deal with this issue with HIA this afternoon.

Senator BULLOCK: The document that you just read out deals with the instance of the fraud and outlines actions appropriate to the instance of the fraud.

Ms Freeman: Yes.

Answer:

The Department of Agriculture and Water Resources is not proposing to provide the two documents on the basis that it goes to deliberative processes of government and the ability to freely deliberate within government. Also, as there are current legal proceedings yet to be resolved, including a criminal prosecution, it would not be appropriate to disclose material that could prejudice these matters.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 9

Division/Agency: Agricultural Policy Division

Topic: Statutory Funding Agreement - HIAL

Proof Hansard page: 30

Senator CAMERON asked:

Senator CAMERON: I do not like the big cover-ups on this, let me tell you. The statutory funding agreement that you have, did it have a fraud plan prior to this money going missing?

Ms Freeman: The only reason I am hesitating is that HIA was established late last year. It is in the process of transforming from Horticulture Australia Limited to HIA Limited, so I am just taking the status of the fraud control plan for HIA Limited and we will advise you of that. There are a number of conditions that they would have meet in terms of having fraud control plans, et cetera. I do not have their latest version with me, but that would be a fundamental part of their responsibilities.

Senator CAMERON: Whether it is HIA or a previous incarnation.

Ms Freeman: No. What I am saying is that they are obligated under statutory funding agreements to have those elements. At the moment they have transformed from HIAL from December last year to November this year, so they are literally transforming as we speak. I am just checking on the status of the document for HIA Limited.

Answer:

The Deed of Agreement 2014–18 requires that Horticulture Innovation Australia Limited (HIAL) develop, maintain and implement a Fraud Control Plan and to review this plan at intervals of no more than three years. HIAL is required to provide the Commonwealth with a copy of the plan, or amendments to the plan within 30 days of its approval by the HIAL Board. HIAL has advised that at the time of the incident, HIAL was operating under the Fraud Control Plan established by its predecessor, Horticulture Australia Limited.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 10

Division/Agency: Agricultural Policy Division

Topic: Minister became aware of this fraud

Proof Hansard page: 32

Senator CAMERON asked:

Senator CAMERON: When did the minister become aware of this fraud?

Senator RUSTON: You are probably not surprised that I would be unaware of that given my recent appointment, but I am certainly happy to take it up with the minister and get a response for you.

Senator CAMERON: Mr Quinlivan, when did the department advise the minister?

Ms Freeman: I will take that on notice.

Answer:

The Department of Agriculture and Water Resources did not directly advise the Minister. It advised the Minister's Office in writing on 10 July 2015.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 11

Division/Agency: Agricultural Policy Division

Topic: Advice to the minister regarding HIAL

Proof Hansard page: 33

Senator CAMERON asked:

Senator CAMERON: I did ask: when did you advise the minister of this?

Mr Quinlivan: I think Ms Freeman said on the day we were informed, which was 10 July, we informed the minister's office.

Senator CAMERON: So the minister was aware of this on 10 July?

Mr Quinlivan: No. We are not saying that. We are saying we informed the minister's office on 10 July.

Senator CAMERON: Who did you inform in the minister's office.

Ms Freeman: One of his advisers.

Senator CAMERON: One of his advisers. Did you provide a file note for the minister?

Ms Freeman: A file note? No, I did not provide a file note.

Senator CAMERON: Was this another verbal job?

Ms Freeman: No.

Senator CAMERON: What was it?

Ms Freeman: I would have to take on notice what was provided to the minister's office and the minister. I know I verbally advised the minister's office on 10 July, and I can confirm that. The rest I will take on notice.

Answer:

The Department of Agriculture and Water Resources advised the Minister's Office in writing on 10 July 2015.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 12

Division/Agency: Agricultural Policy Division

Topic: Documents between the department and the minister's office

Proof Hansard page: 33

Senator CAMERON asked:

Senator CAMERON: Is there a file note or a note about your exchanges between the department and the minister's office on this?

Ms Freeman: I will take on notice any exchange I had, email or otherwise.

Senator CAMERON: Can you also table any documents from the department to the minister on this issue?

Ms Freeman: I am happy to consider that, provided there are no legal implications.

Senator CAMERON: Happy to consider it?

Ms Freeman: Provide it subject to any relevant legal provisions.

Senator CAMERON: Minister, what has the minister's office done on this issue?

Senator RUSTON: As I said to you previously, I will speak to the minister's office and I will provide you with a response to that. Obviously this has occurred before my time as the assistant minister.

Senator CAMERON: Did you speak to the minister's office during the break on this issue?

Ms Freeman: No, I have not spoken to the minister's office during the break. The minister is actually in the party room at the moment and not available to speak.

Senator CAMERON: Mr Quinlivan, the minister is new and I accept that. Are you aware of any correspondence back from the minister's office to the department asking for the department to take any action arising from this fraud?

Mr Quinlivan: No, I am not.

Senator CAMERON: You have provided advice to the minister's office on this issue?

Question: 12 (continued)

Mr Quinlivan: We have taken on notice to see what we have provided. What we are certain about is that we provided verbal advice to the minister's office on 10 July.

Answer:

The Minister's Office was advised in writing on 10 July 2015. The Department of Agriculture and Water Resources is not proposing to provide the documents on the basis that it goes to deliberative processes of Government and the ability to freely deliberate within Government. Also, as there are current legal proceedings yet to be resolved, including a criminal prosecution, it would not be appropriate to disclose material that could prejudice these matters.

The department is not aware of any action by the Minister's Office on this issue.

There has been no written correspondence from the Minister's Office to the department on this issue.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 13

Division/Agency: Agricultural Policy Division

Topic: Changes between round 1 and round 2

Proof Hansard page: 66

Senator CAMERON asked:

Senator CAMERON: Can you take it on notice and provide details of the changes between round 1 and round 2, the reason for the changes, and how the priorities were determined?

Mr Glyde: They are on our website, but we are certainly happy to pull those together to show you the differences between the round 1 priorities and the round 2 priorities.

Answer:

Round one Rural Research & Development (R&D) for Profit Programme priorities were as follows:

1. Increase the profitability and productivity of primary industries

- Priority 1(a) help producers increase yields and/or reduce costs by applying innovative technologies and/or technologies from other industries.
- Priority 1(b) research the potential for cost effective infrastructure to assist producers boost profits and break barriers to increased enterprise infrastructure investment.
- Priority 1(c) help producers manage natural resources in an integrated way at enterprise or regional level for long-term use and profit.

2. Increase the value of primary products

- Priority 2(a) add value to primary products by creating supply-chain efficiencies, extending the shelf life of products, developing new or improved products or demonstrating product provenance or integrity.
- Priority 2(b) provide information to producers about markets and consumer preferences to better inform producer business decisions, or improve their access to new and existing markets.

Question: 13 (continued)

3. Strengthen primary producers' ability to adapt to opportunities and threats

- Priority 3(a) integrate data and deliver information to help producers manage risk, benchmark performance and make production decisions for greatest profit.
- Priority 3(b) improve biosecurity surveillance systems and tools to help producers plan for and respond to pests and disease.

4. Strengthen on-farm adoption and improve information flows

- Priority 4(a) Consolidate knowledge of extension and adoption to better deliver practical results to primary producers, founded on what producers want from extension services.
- Priority 4(b) identify practical proposals to stimulate private sector extension services, particularly to fill current gaps.
- Priority 4(c) identify practical means to co-ordinate extension services for producers, including the development of tools and/or platforms.

The Round two Rural R&D for Profit Programme priorities are:

- advanced technology, to enhance innovation of products, processes and practices across the food and fibre supply chains through technologies such as robotics, digitisation, big data, genetics and precision agriculture;
- biosecurity, to improve understanding and evidence of pest and disease pathways to help direct biosecurity resources to their best uses, minimising biosecurity threats and improving market access for primary producers;
- soil, water and managing natural resources, to manage soil health, improve water use efficiency and certainty of supply, sustainably develop new production areas and improve resilience to climate events and impacts; and
- adoption of R&D, focusing on flexible delivery of extension services that meet primary producers' needs and recognising the growing role of private service delivery.

These priorities were articulated in the Agricultural Competitiveness White Paper. The guidelines for Round one of the programme stated that "The priorities for the second and any subsequent funding rounds will be informed by the outcomes of the Agricultural Competitiveness White Paper".

The new priorities were based on stakeholder feedback during the development of the white paper. The priorities are consistent with the national Science and Research Priorities announced on 26 May 2015. The national priorities align areas of research excellence with Australia's comparative advantages, including food, soil and water, and environmental change.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 14

Division/Agency: Agricultural Policy Division

Topic: Statutory funding agreements

Proof Hansard page: 66

Senator CAMERON asked:

Senator CAMERON: It is from the white paper. I said it states that farmers will benefit from a greater focus on extending outcomes to the farm gate.

Mr Glyde: I think they were the issues that Ms Freeman ran through earlier on in relation to the efficiencies that we would be looking for. So, in some ways we have answered that question.

Senator CAMERON: Has this measure then been discussed with the research and development corporations?

Ms Freeman: Yes, as we progress, we are discussing it actively with them.

Senator CAMERON: So, you have discussed it or it will be progressively done?

Ms Freeman: Informally we talk to them all the time. Formally through our statutory funding agreement discussions we have strategic conversations that would include the adoption of these priorities and the specifics of these different measures.

Senator CAMERON: Are there minutes of these meetings?

Ms Freeman: Yes, there are.

Senator CAMERON: Could you provide the minutes so we see how these things are working?

Ms Freeman: I will take that on notice.

Answer:

The Department of Agriculture and Water Resources uses a number of avenues to communicate government priorities to the rural research and development corporations (RDCs). Expectations about the extension of rural research and development outcomes to primary producers are included in statutory funding agreements (SFAs) with each of the RDCs. Since the release of the White Paper on Agricultural Competitiveness, the department has had discussions with a number of RDCs about initiatives and priorities outlined in the white paper, including at regular SFA meetings. Minutes from such meetings typically only record that these broad topics were discussed.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Agriculture and Water Resources

Question: 15

Division/Agency: Agricultural Policy Division

Topic: From paddock to plate; how food prices are determined in Australia report

Proof Hansard page: 71

Senator CAMERON asked:

Senator CAMERON: Has the department received a copy of the report *From paddock to plate; how food prices are determined in Australia*?

Mr Morris: I think we have. I think I received it as part of the taskforce, so I guess I am answering on behalf of myself rather than necessarily the department. We could check with others in the department whether they received a copy of that report.

Senator CAMERON: I am not very confident in your memory, Mr Morris. You cannot remember those brilliant dinners. When did you receive the copy of that report?

Mr Morris: We would have to check. We have received so much material during the white paper process.

Senator CAMERON: So, will you take that on notice?

Answer:

The Department has received numerous working drafts of the report with the most recent being received on 5 August 2015.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 16

Division/Agency: Agricultural Policy Division

Topic: Relocation

Proof Hansard page: 73-74

Senator CAMERON asked:

Senator CAMERON: What was the previous advice on the cost?

Ms Freeman: I can go back and check that. It is probably safe to say though that the discussion has moved on, so I would imagine I can get you the number, and I am very happy to, but it is probably likely to be less. With the APVMA and that cost, because they are still determining whether that will go to either Armidale or Toowoomba there has been no costing done until the decision is made on that. I do not have a current estimate at the moment of the costs.

Senator CAMERON: Minister, when do we expect a decision on this long, long-running fiasco?

Senator RUSTON: I would first of all dispute that it is a long, long running fiasco. I would say that in the interests of our regional communities across all of Australia it is a very sensible thing for us to be looking at because, despite the fact that you live in the city, many of us live in rural and regional areas and outside of Sydney and Melbourne, and we would see this as a very positive move on behalf of government to stimulate our economies outside of Sydney and Melbourne. As to the decisions on the four agencies that are up for possible relocation, I will take that on notice and speak to the minister to get you an answer.

Senator CAMERON: What is the estimate of the economic stimulation in each area?

Senator RUSTON: I am certainly happy to take that on notice as well. As you have acknowledged before, I have only recently joined this portfolio but I can certainly assure you that, coming from a regional community, the stimulus that would be generated by these sorts of activities outside of the main areas would be significant and I, too, will look forward to seeing what the economic stimulus of these relocations is likely to be estimated at.

Ms Freeman: Some of the numbers that we provided previously on this estimate were depending on the structure that would be adopted by the portfolio agencies moving them. The estimates previously were contributing \$13 million a year for the RDCs and moving the APVMA could contribute up to \$16 million a year. They were based on the previous estimates. Currently the RDCs have come back with a revised model and structure, so obviously those numbers would need to be recalculated once their locations have been determined.

Senator CAMERON: So, \$13 million and \$16 million?

Ms Freeman: Per year, yes, in those regions.

Question: 16 (continued)

Senator CAMERON: Who did the analysis?

Ms Freeman: I can take that on notice, but the department worked with ABARES in the calculation of that.

Answer:

At the previous Senate Estimates in May 2015 the department advised that the estimated costs of relocating certain portfolio agencies to regional Australia was:

- Fisheries Research and Development Corporation: about \$4 million
- Grains Research and Development Corporation: about \$31.2 million
- Rural Industries Research and Development Corporation: about \$2.5 million.

No cost estimate was provided for the Australian Pesticides and Veterinary Medicines Authority, as two possible locations were under consideration.

The government is currently considering the portfolio agencies' proposed approaches to relocating and a decision will be made in due course.

The estimated contributions to local economies provided at the previous Senate Estimates were calculated by the department. No updates to these figures have been calculated.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 17

Division/Agency: Agricultural Policy Division

Topic: Relocation of RDCs

Proof Hansard page: 80

Senator CAMERON asked:

Senator CAMERON: I am just about finished. I will just go back to one issue. Can you provide some updated costings in terms of the minister's pet regionalisation of these various RDCs? Can you give us an update on what the costs are?

Mr Glyde: Yes. On notice?

Answer:

On 20 October 2015 at the Supplementary Budget Estimates hearing, the Grains Research and Development Corporation stated that the cost of its proposed relocation is \$0.8 million over ten years. Also at the hearing, the Rural Industries Research and Development Corporation stated that the cost of its proposed relocation is \$1.3 million over five years.

The department does not have updated cost estimates on the potential relocation of the Fisheries Research and Development Corporation.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 18

Division/Agency: Agricultural Policy Division

Topic: Rural Research and Development Legislation Amendment Bill 2014

Proof Hansard page: Written

Senator STERLE asked:

Senator STERLE: Provide an update on the 2014 budget measure – Rural Research and Development Legislation amendment Bill 2014

- Has the department taken made changes to enact this measure?
- If so, isn't this a breach of the current legislative requirement?
- When will the bill be brought back into the Senate

Answer:

The government is currently considering the recommendations of the report by the Senate Rural and Regional Affairs and Transport Legislation Committee into the Bill. Timing for debate in the Senate is a matter for the government to consider.

The department cannot implement the measures in the Bill until the Bill has passed the Senate and has received Royal Assent.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 19

Division/Agency: Agricultural Policy Division

Topic: Pilot Program

Proof Hansard page: Written

Senator STERLE asked:

1. How will the pilot program to provide farmers with training courses and material on cooperatives, collective bargaining and innovation business models be implemented?
\$13.8 million for two years (2015-16) to RIRDC to work with other RDCs to develop and deliver training and materials.
2. Will this funding provide for additional staff to provide training courses?
3. How will the pilot program be assessed post the pilot program?

Answer:

1. The department provided a grant of \$200 000 to the Rural Industries Research and Development Corporation (RIRDC) to design a programme framework. The department received a report from RIRDC on 23 October 2015 and is considering the proposed framework.
2. No decisions have been made as the framework is under consideration by the department.
3. No decisions have been made as the framework is under consideration by the department.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 20

Division/Agency: Agricultural Policy Division

Topic: Rural R&D for Profit Programme: administration changes

Proof Hansard page: Written

Senator STERLE asked:

1. Will the extension of Rural R&D for Profit program \$100 million to 2021-22 be administered in the same way the current program is being administered?
2. Has round two of the current program opened yet? Is this program running on schedule?
3. How will efficiency of RDCs be undertaken by improving governance. White Paper states that "Farmers will benefit from a greater focus on extending outcomes to the farm gate. Reduced administration costs will leave more money for RD&E
4. Has this measure been discussed with the Research and Development Corporations?

Answer:

1. The Rural Research & Development (R&D) for Profit programme will continue to be administered as a restricted competitive grants programme.

The guidelines for round two of the programme include the additional funding and extended period for the programme.

2. Round two of the Rural R&D for Profit programme was launched by the Minister for Agriculture and Water Resources, the Hon. Barnaby Joyce MP, on Wednesday 23 September 2015. The programme is running on schedule.
3. The government is committed to working closely with the Research and Development Corporations (RDCs) to improve their efficiency, transparency and accountability. Over time, improving efficiency and governance is expected to result in reduced administrative costs, effectively providing the RDCs have more funds to invest, and better targeting of their investments in Research, Development & Extensions (RD&E).
4. Yes.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

Agriculture and Water Resources

Question: 21

Division/Agency: Agricultural Policy Division

Topic: Rural Research and Development for Profit Programme open

Proof Hansard page: Written

Senator STERLE asked:

1. When will round two of the Rural Research and Development for Profit Programme open
2. What work has been undertaken to support the implementation of the Australian Animal Welfare Strategy
3. Provide a list of grant funding for domestic and international animal welfare projects
4. Have the Australian animal welfare standards and guidelines for cattle and sheep, saleyards and depots and exhibited animals been implemented
5. Provide an update of the work undertaken to implement all actions in rural research and development strategy
6. Why were key performance indicators only partially met in delivering the Agricultural productivity work plan
7. Provide a copy of the Agricultural productivity work plan

Answer:

1. Round two of the Rural Research & Development (R&D) for Profit programme was launched by the Minister for Agriculture and Water Resources, the Hon. Barnaby Joyce MP, on Wednesday 23 September 2015.
2. The Australian Government funding for the Australian Animal Welfare Strategy ceased on 30 June 2015. Between 2004 and 2015 total program commitment was \$9.415 million. Of this the Commonwealth contributed \$4.516million for 65 projects, with the remaining funds being contributed by state and territory governments and industry. The Australian Veterinary Association administers the AAWS website www.animalwelfarestandards.net.au/.
3. A list of Department of Agriculture and Water Resources administered Australian Animal Welfare Strategy grants, including funding amounts is at Attachment A.

Question: 21 (continued)

4.

The status of the requested Standards and Guidelines is:

- The Animal Welfare Standards and Guidelines for Cattle are currently with Commonwealth, state and territory agriculture Ministers for consideration.
 - The Animal Welfare Standards and Guidelines for Sheep are currently with Commonwealth, state and territory agriculture Ministers for consideration.
 - The Animal Welfare Standards and Guidelines for Livestock at Sale Yards and Depots are still under development. This project is being managed by the Chief Veterinary Office within the Victorian Department of Economic Development, Jobs, Transport and Resources, and is expect to be provided to Commonwealth, state and territory agriculture Ministers for endorsement by mid-2016.
 - The Animal Welfare Standards and Guidelines for Exhibited Animals (Zoo) are still under development. This project is managed by the NSW Department of Primary Industries. For further information on this project please see www.dpi.nsw.gov.au/agriculture/livestock/animal-welfare/exhibit/standards-and-guidelines.
5. The rural research and development strategy referred to in the department's annual report is the National Primary Industries Research, Development and Extension (RD&E) Framework. The framework is a joint venture between the Australian, state and Northern Territory governments, rural research and development corporations, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), and universities. The framework supports increased coordination and collaboration among the different entities involved in RD&E for rural industries. Most of the actions under the framework are set out in 22 separate industry-sector or cross-sectoral-issue strategies which are at various stages of implementation. Information on these strategies can be found at www.npirdef.org/.
6. The Agricultural productivity work plan was developed by the Productivity and Regulatory Reform Committee of the then Primary Industries Ministerial Council. The ministerial council, and the committees under it, were wound up on 13 December 2013 as part of a major restructure of ministerial councils by the Council of Australian Governments. Key performance indicators for the Agricultural productivity work plan were partially met as some activities were continued by task groups reporting to the Agriculture Senior Officials Committee.
7. There was no formal Agricultural productivity work plan for 2014-15. As noted above, some activities were carried forward by new task groups; these activities were incorporated into work plans of relevant task groups as appropriate.