

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

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

**Agriculture and Water Resources**

**Question:** 147

**Division/Agency:** Sustainable Agriculture and Fisheries Division

**Topic:** Reduce industry and user costs

**Proof Hansard page:** 62

**Senator CAMERON asked:**

**Senator CAMERON:** Is this another thought bubble in progress? Do not answer that. As I understand it, you are saying there will be \$20.4 million to reduce industry and user costs by \$68 million?

**Ms Lauder:** Yes, that is right.

**Senator CAMERON:** What is the methodology for that figure?

**Ms Lauder:** I cannot tell you that level of detail, I am afraid, but we have staff coming up under Sustainable Agriculture and Fisheries who will be able to provide that level of detail.

**Senator CAMERON:** So, they can provide me the methodology?

**Ms Lauder:** Yes.

**Senator CAMERON:** If I do not get to them, Secretary, can we have that on notice?

**Mr Quinlivan:** Okay

**Answer:**

The Office of Best Practice Regulation's regulatory burden measure (RBM) was used to calculate the potential annual savings of proposed agvet chemicals regulation reforms.

The RBM only focusses on direct costs of regulation to business and does not estimate the value of the benefits of regulation reform to the economy generally or to farm businesses specifically. These include delay costs, costs avoided through not generating Australian-specific data for an efficacy or trade assessment and labour costs (for compliance activities). The values used in the measure were based on informed estimates, or samples of previous activities, and are to be validated at the appropriate time in a Regulation Impact Statement.

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

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

**Agriculture and Water Resources**

**Question:** 148

**Division/Agency:** Sustainable Agriculture and Fisheries Division

**Topic:** Quota System

**Proof Hansard page:** 87-88

**Senator WHISH-WILSON asked:**

**Senator WHISH-WILSON:** But do you know, under that licence regime before the quota system, roughly what tonnages were being caught? Was that recorded?

**Mr Neil:** They would have recorded it. We can take that on notice.

**Senator WHISH-WILSON:** Yes. I am just interested in that.

**Dr Hone:** When the quota came in it went to 5,265. The previous years it was around about 18,000 to 20,000. This is back in the mid-80s, so the data is not as good. It was pretty clear that when I was in the South Australia Fisheries at the time working in the precursor to AFMA, when we started to get that original data that is why the CCSBT quota fishery came in. It was one of the first quota fisheries in Australia.

**Mr Glyde:** We can provide you with the catch going back 30 or 40 years. It is an established chart which we are happy to provide to you on notice

**Answer:**

From 1985 Australia, Japan and New Zealand voluntarily applied quota limits to their fishing fleets, and fished to these quotas, as listed in the table at **Attachment A**.

Question: 148 (continued)

Attachment A

	Total (tonnes)	Japan	Australia	New Zealand	Korea	Taiwan	Indonesia	Philippines	South Africa	European Union
1985	38,650	23,150	14,500	1,000						
1986	32,000	19,500	11,500	1,000						
1987	32,000	19,500	11,500	1,000						
1988	15,500	8,800	6,250	450						
1989	11,750	6,065	5,265	420						
1990	11,750	6,065	5,265	420						
1991	11,750	6,065	5,265	420						
1992	11,750	6,065	5,265	420						
1993	11,750	6,065	5,265	420						
1994*	11,750	6,065	5,265	420						
1995	11,750	6,065	5,265	420						
1996	11,750	6,065	5,265	420						
1997	11,750	6,065	5,265	420						
1998 – 2003**										
2004	14,080	6,065	5,265	420	1,140	1,140		50		
2005	14,080	6,065	5,265	420	1,140	1,140		50		
2006	14,925	6,065	5,265	420	1,140	1,140	800	50	45	0
2007	11,530	3,000	5,265	420	1,000	1,000	750	45	40	10
2008	11,530	3,000	5,265	420	1,000	1,000	750	45	40	10
2009	11,530	3,000	5,265	420	1,000	1,000	750	45	40	10
2010	9,449	2,261	4,015	709	859	859	651	45	40	10
2011	9,449	2,261	4,015	709	859	859	651	45	40	10
2012	10,449	2,519	4,528	800	911	911	685	45	40	10
2013	10,949	2,703	4,713	833	948	948	709	45	50	10
2014	12,449	3,403	5,193	918	1,045	1,045	750	45	40	10
2015	14,647	4,847	5,665	1,000	1,140	1,140	750	45	40	10

\* Year existing voluntary management arrangements by Australia, Japan and New Zealand formalised as the Convention for the Conservation of Southern Bluefin Tuna (20 May 1994), which created the CCSBT.

\*\* No quotas agreed by the CCSBT.

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

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

**Agriculture and Water Resources**

**Question:** 149

**Division/Agency:** Sustainable Agriculture and Fisheries Division

**Topic:** Update – progress of all 10 RFAs

**Proof Hansard page:** 147

**Senate MCKIM asked:**

**Senator MCKIM:** Just because of the time of night, a quarter to 11, could I ask you to take a question on notice just to provide a brief update on where you are in the progress of all 10 RFAs. I will place that on notice.

**Mr Ruscoe:** I can take that on notice.

**Answer:**

***New South Wales Regional Forestry Agreements (RFAs) – Eden, North East and Southern***

Officials from both governments have met a number of times to discuss the review of the three RFAs and that a combined second and third five-yearly review would be preferred.

NSW has requested the review commence in early 2016 as it is currently undertaking a state-based review of its Integrated Forestry Operations Approvals.

Officials are drafting the Scoping Agreement covering the conduct of the review, with the expectation that it will be available for signing by ministers in early 2016.

***Tasmanian RFA***

The third five-yearly review report from the Independent Reviewer is expected to be delivered to the Tasmanian and Australian governments by mid November 2015 (and subsequently tabled in the Australian Parliament). The governments will then work on a joint government response to the review report.

***Victorian RFAs – East Gippsland, Central Highlands, North East, Gippsland and West Victoria***

Officials from both governments have met a number of times to discuss the third five-yearly review of the five RFAs.

Officials are drafting the Scoping Agreement covering the conduct of the review, with the expectation that it will be available for signing by ministers in early 2016.

**Question:** 149 (continued)

***Western Australian RFA***

Officials from both governments have met a number of times to discuss the third five-yearly review of the RFA.

Officials are drafting the Scoping Agreement covering the conduct of the review, with the expectation that it will be available for signing by ministers in early 2016.

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

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

**Agriculture and Water Resources**

**Question:** 150

**Division/Agency:** Sustainable Agriculture and Fisheries Division

**Topic:** Sustainable Natural Resource Management

**Proof Hansard page:** Written

**Senator STERLE asked:**

1. Provide detail on what is the department doing to strengthen the capacity for primary producers to use sustainable natural resource management practices in increase their on-farm profitability and competitiveness, above and beyond the white paper
2. What is the department doing to strengthen the national approach to weed and pest animal management to reduce the impact of invasive species on agricultural production
3. Provide detail on what consultations the department has undertaken with stakeholders and Industry groups to reduce weed and pest animals
4. Providing funding detail regarding programmes and projects that have been undertaken to strengthen the national approach to weed and pest animal management.
5. What is the cost for support the national soils policy
6. Provide information as to who is on the CSIRO implementation committee
7. How many times have they met
8. What was the cost of the International Year of Soils Magazine
9. What was the distribution list for the magazine
10. Was only one volume of the soils magazine produced, if not, how many volumes were produced
11. How was the \$13.2 million to supplement government emergency water infrastructure programme managed
  - a. Guidelines released
  - b. Application process opened
  - c. How many applications were received
  - d. How many were applications declined

**Question:** 150 (continued)

12. What was the cost for supporting the Water Infrastructure Ministerial Working Group
  - a. Who was on the Ministerial working group
  - b. How many times did the Ministerial working group meet
  - c. Where and when did they meet
  - d. Was hospitality provided during the meetings
  - e. Provide a list of the 63 potential projects
  - f. What barriers were identified to water infrastructure development

**Answer:**

1. The Department manages a number of programmes designed to strengthen the capacity for primary producers to use sustainable natural resource management practices to increase their on-farm profitability and competitiveness.

The National Landcare Programme consists of two funding streams; national and regional; which are investing \$1 billion between 2014-15 and 2017-18 (GST inclusive) on projects that address environmental and sustainable agriculture issues. Many activities funded are designed to increase the value of the natural resource base and assist individuals, local communities and regional natural resource management organisations protect Australia's environment and make agriculture more sustainable and productive.

The Australian Government Reef Programme is jointly funded and managed by the Department of Agriculture and Water Resources and the Department of the Environment. This programme is assisting farmers in the reef catchment through projects such as constructing fences and watering points on grazing land; increasing ground cover, reducing run-off and improving soil structure in sugar cane farms; and working with regional natural resource management organisations to improve farm practices that reduce costs and increase productivity. The Department of Agriculture and Water Resources' Reef programme funding commitment is \$53.36 million (GST inclusive).

The Carbon Farming Futures programme is funding 200 projects worth \$139 million (GST inclusive) to support research, on-farm trials and extension to find practical ways farmers and land managers can reduce greenhouse gas emissions, adapt farming practices to projected changes in the climate and increase storage of carbon in soil, while maintaining or improving farm productivity and profit. Projects funded through this grant programme are also supporting the Emission Reduction Fund under the Direct Action Plan by providing farmers with options and information to access additional income sources through participation in land sector emissions management and soil carbon sequestration activities.

**Question:** 150 (continued)

The National Landcare Sustainable Agriculture Small Grants Round 2015-16 is offering grants between \$5 500 and \$55 000 (GST inclusive) for projects that increase the knowledge and capacity of farmers and fishers in sustainable resource management. This includes projects that support the adoption of management practices that increase production or improve product quality while maintaining or enhancing the natural resource base like soil, water quality and native vegetation. These grants are open to a range of entities including farming systems groups, community groups and individuals.

The department's Innovation grants programme will give farmers, fishers, and businesses more tools to implement sustainable practices, reduce farm costs and build productivity. These grants support innovation across the grazing, cropping, forestry, horticulture, fisheries and aquaculture sectors. Government funding of this programme is \$21.3 million (GST inclusive). The successful 31 projects commenced in early 2014 and all are due for completion by June 2016.

The Rural R&D for Profit programme is a \$200 million (GST exclusive) competitive grants programme providing grants to rural research and development corporations for collaborative research which enhances farm-gate profitability and supports the continued innovation of Australia's primary industries. Among the programme priorities are 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.

Funding of \$26.7 million (GST exclusive) for 12 projects was awarded under round one of the programme. Several of these projects will contribute to strengthening the capacity for primary producers to use sustainable natural resource management practices to increase their on-farm profitability and competitiveness.

2. The Australian Government invests in a number of national projects which the department manages. This includes \$1.63 million for the National Wild Dog Action Plan, \$1.029 million for the Wild Dog Alert System and \$1.362 million for the bio-control of rabbits. The department is currently developing arrangements to support the Agricultural Competitiveness White Paper investment of \$50 million over four years to better manage established pest animals and weeds. This measure will help develop and promote better technologies and tools and assist in delivering on-ground action with a focus on nationally significant species.

The department is a member of, and provides secretariat support to, the Invasive Plants and Animals Committee. The committee includes state and territory government representatives and fosters an integrated and effective national approach to the prevention and management of vertebrate pest animals, freshwater invertebrate pests and weeds.



**Question:** 150 (continued)

3. The department, on behalf of the National Biosecurity Committee, released a public discussion paper on “Managing Established Pests of National Significance” from 1 June 2015 to 31 July 2015. The department invited comments on the paper which discussed new ideas to manage established weeds, pests and diseases that have a significant impact at a national level. The submissions will inform the finalisation of the draft National Management Framework for Established Pests and Diseases under the Intergovernmental Agreement on Biosecurity (2012). The management framework aims to have a strategic, consistent, scientific, risk-based approach to managing the impacts of established pests and diseases.

The department is a member of the Implementation Committee of the National Wild Dog Action Plan which consists of representatives from the sheep, goat and cattle industries, government and the Invasive Animals Co-operative Research Centre. This team is supported by a stakeholder consultative group which provides a mechanism to enable stakeholders to have input into implementation strategies. The department has commenced initial discussions with regards to the Agricultural Competitiveness White Paper Established Pests and Weeds funding with members and observers of the Invasive Plants and Animals Committee.

4. The following national projects have been funded by the National Landcare Programme in 2015-16 to strengthen the approach to weed and pest animal management:

Australian Testing Centre for Marine Pests – \$51 617

Wild Dog Action Plan – \$750 000

Wild Dog Alert – \$480 000

Bio Control of Rabbits – \$420 000

Other initiatives, separate from the National Landcare Programme, include:

Under the Rural R&D for Profit Programme, Meat and Livestock Australia has been awarded a grant of \$1 897 918 (GST exclusive) over the three years to 30 June 2018 to undertake a project on *Fast-tracking and maximising the long-lasting benefits of weed biological control for farm productivity*.

Agricultural Competitiveness White Paper - \$50 million to give farmers better tools and control methods against pest animals and weeds. The details for this programme are currently under development.

**Question: 150 (continued)**

The following table includes information on the current eradication programmes that relate to weeds and pest animals.

<b>Species</b>	<b>Location</b>	<b>Years response programme</b>	<b>Eradication programme budget</b>	<b>Australian Government funding committed including industry</b>	<b>Industry cost sharing partners</b>
Red imported fire ant	South-East QLD	2001/02 – 2014/15	\$294 million	\$148 million	N/A
Four Tropical Weeds	QLD and NSW	2002/03 – 2014/15	\$10.13 million	\$5.19 million	N/A
Electric Ant	Cairns, QLD	2006/07 – 2014/15	\$12.89 million	\$6.44 million	N/A
Browsing ant	Perth Airport	2013/14 – 2014/15	\$93 746	\$93 746	N/A
Red imported fire ant	Yarwun, QLD	2013/14 – 2016/17	\$3.8 million	\$1.9 million	N/A
Red imported fire ant	Port Botany, NSW	2014/15 – April 2016	\$2.05 million	\$1.02 million	N/A
Red Witchweed (striga)	Mackay, QLD	2015-2018*	\$4.18 million	\$1.17 million	\$2.09 million

\*The NMG has endorsed a ten year response plan of up to \$5.8 million (2015-16 to 2024-25) to eradicate red witchweed. The NMG has endorsed the allocation of \$4.18 million for the initial intensive three year phase of the response to 30 June 2018. An independent review of the effectiveness of the first phase of the response will be completed by 30 June 2018 to ensure the response is efficient and meeting its objectives. The response plan and cost-sharing arrangements are subject to Agricultural Ministers' approval.

5. The Department of Agriculture and Water Resources has agreed to provide \$15 000 (nil GST) grant funding to the Commonwealth Scientific and Industrial Research Organisation to support the implementation of the National Soil Research, Development and Extension (RD&E) Strategy.

**Question: 150 (continued)**

The Minister announced the National Soil RD&E Strategy - 'Securing Australia's soil for profitable industries and healthy landscapes' in March 2014. The Australian Government is a strong supporter of making soil information available for research to improve soil management for environmental outcomes and to increase agricultural productivity and profitability. One of the goals of the National Soil RD&E Strategy is to improve the quality, availability and access to soil data and information for all users, especially farmers. A national implementation committee has been established to progress the soil RD&E strategy.

6. Membership of the Soil RD&E Implementation Committee

<b>Name</b>	<b>Agency</b>
Neil McKenzie	CSIRO (lead agency)
Jan Edwards	Grains Research and Development Corporation (lead RDC)
Iain Young	Chair
Georgina Kelly	Department of Primary Industries Deputy Chair
Hamish Cresswell	CSIRO Executive Officer (non-voting)
Jennifer Alexander	Strategy Executive Officer (non-voting)
Ian Anderson	University of Western Sydney
Cameron Allan	Meat and Livestock Australia
Michele Barson	Department of Agriculture and Water Resources
Michael Crawford	Department of Economic Development, Jobs, Transport and Resources
Felice Driver	Sugar Research and Development Corporation
Jason Hill	Department of Land Resource Management
Brenda Kranz	Horticulture Innovation Australia
Paul Lawrence	Department of Science, Information Technology, Innovation and the Arts
Adrian Loschiavo	Grape and Wine Research and Development Corporation
Alex McBratney	University of Sydney
Pauline Mooney	South Australian Research and Development Institute
Cathy Phelps	Dairy Australia
Noel Schoknecht	Department of Agriculture and Food
Peter Voller	Department of Primary Industries, Parks, Water and Environment
Allan Williams	Cotton Research and Development Research and Development Corporation
Vicki Woodburn	Rural Industries Research and Development Corporation
TBC	Australian Council of the Deans of Agriculture

7. The Committee has met three times so far in 2015 and another meeting is scheduled in November 2015.
8. The grant to support the publication of the Soil Science Australia 2015 International Year of Soil magazine was \$2200 (GST inclusive).

**Question: 150 (continued)**

9. The publication was an outreach document for distribution to members of Soil Science Australia, a professional network of soil scientists dedicated to improving knowledge and care of the Australian soil resource. The publication was also distributed through field days and similar events.
10. Only one volume was produced for the International Year of Soils 2015.
11. The Queensland Department of Agriculture and Fisheries (QDAF) introduced the state administered Emergency Water Infrastructure Rebate Scheme on 30 May 2013. The funding assistance for water infrastructure (for 2014–15) and reducing pests (for 2013–14 and 2014–15) is delivered to Queensland through a multilateral Project Agreement in accordance with the Intergovernmental Agreement on Federal Financial Relations.
  - a. The updated guidelines (to include the Commonwealth component of the rebate) were released in February 2014.
  - b. The updated application (to include the Commonwealth component of the rebate) process opened in February 2014, but claims were back dated to 13 November 2013 (the date of Minister Joyce’s announcement of an agreement to increase funding for water-related rebates).
  - c. Project proposals and applications were assessed by QDAF. Australia Government funding was provided in 2013-14 and 2014-15. At the state level, 4349 claims have been received for rebates of \$48.1 million, consisting of \$35.1 million in Queensland Government rebates and \$13 million in federal top up rebates.
  - d. QDAF administers the Emergency Water Infrastructure Rebate Scheme.
12. The Water Infrastructure Ministerial Working Group was supported by existing staff from the Department of Agriculture and Water Resources.
  - a. Water Infrastructure Ministerial Working Group

<b>Minister</b>	<b>Name</b>
Minister for Agriculture	The Hon. Barnaby Joyce (Chair)
Deputy Prime Minister	The Hon. Warren Truss MP
Minister for the Environment	The Hon. Greg Hunt MP
Assistant Minister for Infrastructure and Regional Development	The Hon. Jamie Briggs MP
Parliamentary Secretary to the Minister for the Environment	Senator the Hon. Simon Birmingham # replaced by Bob Baldwin MP

- b. The Water Infrastructure Ministerial Working Group met on five occasions.

**Question: 150 (continued)**

- c. The Water Infrastructure Ministerial Working Group meetings were conducted at Parliament House.

Meeting 1: 12 May 2014

Meeting 2: 17 June 2014

Meeting 3: 12 February 2015

Meeting 4: 15 June 2015

Meeting 5: 10 September 2015

- d. Official Hospitality totalling \$929 was provided for the Water Infrastructure Roundtable held at Parliament House 29 October 2014.

- e. 63 potential projects were identified in the Water Infrastructure Options Paper released on 29 October 2014. These projects were identified following consultation with the state and territory governments and others, and are listed below.

**1. Project already funded with existing Commonwealth assistance**

1	Chaffey Dam (MDB)	NSW
2	Menindee Lakes	NSW
3	Nimmitabel Lake Wallace	NSW
4	Great Artesian Basin Sustainability Initiative*	NSW, QLD, SA

**2. Likely to be sufficiently developed to allow consideration of possible capital investment within the next 12 months**

5	Gippsland: Macalister Irrigation District / Southern Pipeline – Sale - Maffra	VIC
6	Tasmanian Irrigation Tranche II: Southern Highlands	TAS
7	Tasmanian Irrigation Tranche II: Scottsdale	TAS
8	Tasmanian Irrigation Tranche II: Circular Head	TAS
9	Tasmanian Irrigation Tranche II: Swan Valley	TAS
10	Tasmanian Irrigation Tranche II: North Esk	TAS

**3. Could warrant future consideration of possible capital investment, but less advanced in stage of development**

11	Gippsland: Lindenow Valley Water Security Project (Mitchell River)	VIC
12	Emu Swamp Dam – Severn River, Stanthorpe (MDB)	QLD
13	Nathan Dam, Dawson River	QLD
14	Wellington Dam Revival Project	WA

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\* Project identified by the Water Infrastructure Ministerial Working Group

#### 4. Likely to be suitable for further consideration for possible assistance to accelerate feasibility studies, cost benefit analysis or design

15	Apsley Dam – Walcha*	NSW
16	Lostock Dam enlargement – Hunter Valley	NSW
17	Mole River Dam (MDB)	NSW
18	Needles Gap (MDB)	NSW
19	Burdekin Falls Dam (including Water for Bowen)	QLD
20	Connors River Dam – Sarina	QLD
21	Fitzroy Agricultural Corridor – construction of Rookwood Weir and raising Eden Bann Weir	QLD
22	Mitchell River System, Far North Queensland	QLD
23	North Queensland Irrigated Agriculture Strategy: Flinders-Gilbert, large scale infrastructure proposals (e.g. IFED) and on-farm developments	QLD
24	Nullinga Dam – Cairns	QLD
25	Urannah Dam – Collinsville	QLD
26	Ord Irrigation Stage III (water infrastructure components)	WA, NT
27	Pilbara and/or Kimberley irrigated water pipeline system	WA
28	Expanded Horticulture Production on the Northern Adelaide Plains - Waste Water Re-use	SA
29	Intensive Livestock and Horticulture Expansion – Northern Dams Upgrade – Clare Valley	SA
30	Exploring off-stream storage opportunities to increase water availability for agricultural development	NT
31	Upper Adelaide River Dam / off stream storage	NT

#### 5. Likely to occur without direct Commonwealth involvement

32	Cobar water supply (MDB)	NSW
33	Forbes water supply (MDB)	NSW
34	Menindee Road Bore (MDB)	NSW
35	Walken Bore \$2.5M (MDB)	NSW
36	Bendigo Northern Growth Area Flood Protection Scheme	VIC
37	Expansion Of Intensive Horticulture And Livestock – Murray Bridge to Onkaparinga Pipeline Off-Take and Storage	SA
38	Upgrading under-capacity drain system to avoid flood damage - Port Road Stormwater Management (Water Proofing the West Stage 2)	SA

#### 6. More information is required from state and territory government to inform categorisation

39	Gwydir River including Horton River storage (MDB)	NSW
40	Macquarie River (MDB)	NSW
41	Pindari Dam	NSW
42	Refurbishment of monitoring assets including for groundwater and surface water gauges	NSW
43	Works and measures of weirs and locks in NSW, with a particular focus on the Murray	NSW
44	Bunyip Irrigated Agriculture Project – SE Melbourne	VIC
45	Northern Program	VIC
46	Werribee Irrigation District	VIC

## 6. More information is required from state and territory government to inform categorisation

47	Borumba Dam raising	QLD
48	East Normanby River Dam	QLD
49	Hells Gate Dam and Mount Foxton, Burdekin River	QLD
50	Integrated Food and Energy Developments (IFED)/ Etheridge Integrated Agricultural Project - Georgetown	QLD
51	Other dams (Battle Creek Dam, Blackfort Dam, Cameron Creek Dam, Cave Hill Dam, Chinaman Creek Dam, Corella Dam (raising), Corella River Dam, Gunpowder Creek Dam, Leichardt River Dam)	QLD
52	Raising the Fairbairn Dam wall – Emerald	QLD
53	South East Queensland flood mitigation infrastructure investigation	QLD
54	Tully Millstream Dam	QLD
55	Gascoyne Food Bowl Initiative (Carnarvon Trunk main irrigation water delivery)	WA
56	Investigatory work in the Manjimup area (capture and store runoff/potential dam sites)	WA
57	Reviving Rural Dams	WA
58	Underground dams – climate resilience through small scale aquifer recharge	WA
59	Fitzroy Dam (Northern Australia Integrated Irrigation Industry Development)*	WA
60	Brown Hill and Keswick Creeks flood mitigation scheme - Adelaide	SA
61	Sustaining Irrigated Agriculture in the Eastern Mount Lofty Ranges - Bypassing Low Flows	SA
62	Exploring potential dam opportunities in Victoria, Baines River and Katherine/Daly region	NT
63	Managed aquifer recharge - various locations	NT

- f. Rather than identify barriers, the Water Infrastructure Options Paper identified options to accelerate the development of water infrastructure.

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\* Project identified by the Water Infrastructure Ministerial Working Group

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

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

**Agriculture and Water Resources**

**Question:** 151

**Division/Agency:** Sustainable Agriculture and Fisheries Division

**Topic:** Streamline the approval of agricultural and veterinary chemicals

**Proof Hansard page:** Written

**Senator STERLE asked:**

1. What processes will be undertaken to streamline the approval of agricultural and veterinary chemicals (red tape reduction)? \$20.4 million to reduce industry and user costs by around \$68 million.
2. How was the figure of around \$68 million dollars calculated?
3. Will legislative changes be required to achieve the proposed savings of around \$68 million dollars?

**Answer:**

1. We expect that streamlining the approval of agricultural and veterinary chemicals (agvet chemicals) will be through changes to legislation and changes to administrative processes within the Australian Pesticides and Veterinary Management Authority (APVMA). The department is leading a three-phase consultation process with user, industry and government stakeholders to identify and develop possible reform measures. The first phase commenced in April 2015 with a released discussion paper and follow-up meetings held nationally. Phase-two commenced in October 2015 with the release of more detailed reform papers. Phase-three is anticipated to occur in early 2016, with the release of a draft policy outlining possible reform measures for consultation, prior to government consideration.

In addition, \$8 million over four years has been committed by the government to improve Australian farmer access to agvet chemicals. This program, implemented by the department and the APVMA, has four elements:

- Crop grouping, to allow the same product to treat the same pests across similar crops
- A program to transfer uses currently provided through permit to the label of registered chemical products
- An industry forum to encourage collaboration between producers and chemical manufacturers



**Question:** 151 (continued)

- A grants program to support a process of seeking permits or registration for industry identified priority uses of chemical products.
2. The Office of Best Practice Regulation's regulatory burden measure (RBM) was used to calculate the potential annual savings of proposed agvet chemicals regulation reforms.

The RBM only focusses on direct costs of regulation to business and does not estimate the value of the benefits of regulation reform to the economy generally or to farm businesses specifically. These include delay costs, costs avoided through not generating Australian-specific data for an efficacy or trade assessment and labour costs (for compliance activities). The values used in the measure were based on informed estimates, or samples of previous activities, and are to be validated at the appropriate time in a Regulation Impact Statement.

3. Yes.

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

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2015

**Agriculture and Water Resources**

**Question:** 152

**Division/Agency:** Sustainable Agriculture and Fisheries Division

**Topic:** Carbon Farming Futures

**Proof Hansard page:** Written

**Senator STERLE asked:**

Provide detail of the programmes under the Carbon Farming Futures

- a. How many
- b. Cost
- c. What work is the department undertaken to assist drought affected farmers with regards to programmes under the Carbon Farming Futures
- d. How has this program supported the development of technological and management options to increase adaptive capacity of Australian farms – especially farming families
- e. List the trial research approaches to reducing agricultural emissions in real farm operations
- f. What have been the outcomes
- g. List the 24 projects supported to deliver current and consistent information to farmers , land managers and their key influencers about land sector emissions management
- h. Detail what are the key influencers
- i. What are the three projects that have been completed
- j. Detail what are actions the department is undertaking to build capacity of existing national extensions networks to deliver information through these networks
- k. Detail what information will be provided through these networks
- l. What will be the cost of this information
- m. How many clients are currently accessing the Farm House Hold allowance
- n. How many applications have been received
- o. Provide a list of which Carbon farming Initiatives were affect by the fold into the Emissions Reduction Fund
- p. Provide detail as to what additional information was provided
- q. What did this additional information cost
- r. Is it still the case, that there has not been economic modelling conducted on the possible impact of ChAFTA on trade in wood and paper products between Australia and China?
- s. Is the Department aware that the proposed ChAFTA, according to the Australian Forests Products Association delivers an inequitable tariff outcome for paper products which will have an adverse impact on investment and trade in the Australian paper industry?

**Question:** 152 (continued)

- t. Is the department aware of how many wood or paper products China do not commit to reduce tariffs for on potential Australia exports of wood and paper products under the terms of the agreement?
- u. What are they, are the manufactured products?
- v. What are the tariff rates for these products respectively?
- w. Provide detail about the four projects approved under the regional capacity-building illegal logging programme
- x. When will future regional funding rounds be available
- y. What were the outcomes of the review into the impact of the illegal logging requirements on small business?
- z. Provide detail as to what support was provided by the department to establish the Australian Government's Forest Industry Advisory Council
  - aa. What did it cost
  - bb. Where and when did the council meet
  - cc. Did departmental staff attend these meetings

**Answer:**

a and b. The *Carbon Farming Futures* (CFF) grant programmes being delivered by the department comprise:

1. *Filling the Research Gap*
2. *Action on the Ground*
3. *Extension and Outreach*

Grant Programme Summary

CFF Grant Programme	Programme end date*	Total no. of projects funded	Value
<i>Filling the Research Gap</i>	June 2016	88	\$74m
<i>Action on the Ground</i>	June 2017	88	\$43.7m
<i>Extension and Outreach</i>	June 2017	24	\$21.3m
Total		200	\$139m

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\*some projects finish prior to the programme end date

- c. The *Carbon Farming Futures* grant programmes are supporting research, on-farm trials and extension to find practical ways farmers and land managers can reduce greenhouse gas emissions, adapt farming practices to projected changes in the climate and increase storage of carbon in soil, while maintaining or improving farm productivity and profit. Projects funded through the grant programmes are also supporting the Emission Reduction Fund under the Direct Action Plan by providing farmers with options and information to access additional income sources through participation in land sector emissions management and soil carbon sequestration activities.

These projects will provide the knowledge to underpin development of strategies that will help farmers prepare for and manage changes associated with climate change, such as heat stress and water scarcity (including drought). The findings from these projects will not be available until June 2016, however, the extension providers engaged under *Extension and Outreach* are working directly with farmers to provide technical information and support to help farmers and land managers implement the emissions reduction activities developed to date, and participate in the Emission Reduction Fund.

- d. Under the second funding round for *Filling the Research Gap*, investment priorities included projects that would develop strategies for adaptation to climate change and associated climate variability. Under the adaptation investment priority, eight projects have been funded for \$7.8 million that will be completed by June 2016.

These projects are investigating:

- resilience to heat and drought stress under elevated carbon dioxide conditions in sugarcane, cereal, pulse and oilseed crops
  - transformative land management options for farmers in the extensive cereal-livestock and pastoral zones
  - farm management options and improved heat stress resilience in the dairy industry
  - critical climate change tipping points for the fruit tree industry
  - viticultural management strategies to mitigate impacts and adapt to hotter and drier conditions expected under a changing climate
  - management responses for supply chains that take advantage of opportunities from changes in climate
- e. *Filling the Research Gap* projects are focusing on:
- reducing methane emissions from livestock systems through a better understanding of animal nutrition, rumen processes, genetics, emissions modelling and management
  - reducing emission from manures by improving the way manure is managed

**Question:** 152 (continued)

- reducing emissions of nitrous oxide associated with the use of nitrogen based fertilisers
- identifying and developing more efficient and cost effective ways to measure soil carbon on the farm
- improving emissions measurement to better inform mitigation strategies
- providing information to support farmers to adapt to predicted changes in climate, including identification of potential opportunities for farmers

In addition, *Action on the Ground* is supporting farm trials to test the value of the information gained from *Filling the Research Gap* projects.

Many of the *Filling the Research Gap* and *Action of the Ground* projects involve farmers, farming groups and industry organisations.

- f. The research and trials funded under the *Carbon Farming Futures* programme will assist farmers to reduce input costs, increase efficiency and improve farm sustainability, competitiveness and profitability. The grant programmes are still running, however, they have already delivered some key achievements.

Projects have contributed to the development of offset methodologies to generate carbon credits under the Emissions Reduction Fund. As a result, Australia has successfully put a monetary value on carbon sequestration activities, creating additional sources of income for farmers.

The programme has led to advances in technologies and practices for reducing emissions, and created potential niche market opportunities.

A series of management practices aimed at maintaining and/or improving productivity in a carbon neutral (net zero footprint) farming setting have been tested. Two grazing systems were modelled (Yass, NSW and Hamilton, Victoria) that demonstrate how a livestock operation can be productive and profitable while also being carbon neutral.

Research into reducing agricultural emissions has developed possible options to reduce farm input costs, increase efficiency and improve farm sustainability, competitiveness and profitability. Some examples include:

- Modified manures that have the potential for significant productivity gains and a reduction in the use of conventional fertilisers, reducing costs and increasing farm profitability.
- The use of 3, 4-dimethylpyrazole phosphate (DMPP) coated urea to reduce nitrous oxide loss from the sugar industry by 1.7 per cent per annum. This equates to an annual saving of 61,000 tonnes of nitrogen from fertiliser use, and is equivalent to 485,612 tonnes of CO<sub>2</sub>. At the current price under the Emissions Reduction Fund at \$14 per tonne of CO<sub>2</sub>e, this is potentially worth \$6.799 million in offset credits for the industry.
- The use of compost and biochar as soil amendments on sugarcane, maize, papaya and peanut crops in northern Queensland resulted in increased yields.

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- The use of shrubs and alternative pasture species to address major limitations to animal productivity in southern Australia during the annual 'feed gap' in autumn, when both the supply and the quality of conventional annual pastures are typically poor.
- Improved scientific and technical knowledge to make alternative feeding options commercially available such as the use of macro-algae, *Leucaena spp.*, forage brassica and grape marc (a by-product of winemaking) to reduce emissions.

Data from the programme has also led to the downward revision of emissions estimates apportioned to agricultural industries in the National Greenhouse Gas Inventory, including:

- a reduction of 21 per cent to the estimated contribution of methane from dairy herds and northern and southern beef herds
- a reduction of 26 per cent to the estimated contribution of nitrogen fertiliser to Australia's nitrous oxide emissions

g. The 24 projects are:

1. Profitable Dairying in a Carbon Constrained Future
2. A new approach to formalising nutrient management planning as a decision making tool for dairy farmers
3. Bega Cheese supporting gas-reduced dairies – encouraging the adoption of improved emission management practices through direct engagement
4. MG more from less-helping dairy farmers secure a sustainable future
5. Awareness workshop: the business case for carbon farming
6. Building resilience and sustainability in the grape and wine sector
7. Carbon farming and your business
8. Carbon farming in the Australian cotton industry
9. Carbon farming opportunities for indigenous land owners
10. Carbon mitigation in the Australian horticulture industry
11. CFI Knowledge Platform
12. CFI Legal and Contracts Guide
13. Climate change and carbon economy extension and outreach in SA arid lands
14. Decision support tools to support participation in the Carbon Farming Initiative
15. Engaging farmers in south eastern Australia into carbon farming through trusted, independent advisers

**Question:** 152 (continued)

16. FARM300: Boosting Livestock Production Efficiency by reducing greenhouse gas emissions from livestock
  17. Fertcare Carbon Farming Extension Project
  18. Future farmers and the carbon farming futures
  19. Improved useability of greenhouse gas emissions abatement decision support tools
  20. National PigGas Extension
  21. Overcoming barriers for WA growers to participate in the CFI
  22. Project 20:20 – more lambs less gas from more than 2000 sheep farms by 2020
  23. Reducing land sector emissions and effecting the CFI in Tasmania-a state wide approach of engagement
  24. Restoring the balance: carbon farming solutions
- h. Key influencers are people who provide advice to farmers. They include agronomists, farm advisers and consultants, agricultural vets, resellers, sales representatives, peak industry bodies and Regional Landcare Facilitators
- i. As of 31 December 2014, there were three projects completed under the Carbon Framing Futures Extension and Outreach programme; these were:
1. CFI Legal and Contracts Guide
  2. Decision support tools to support participation in the Carbon Farming Initiative
  3. Improved useability of greenhouse gas emissions abatement decision support tools

Since then, a further four projects have been completed, these are:

1. Awareness workshop: the business case for carbon farming
  2. Carbon farming opportunities for indigenous land owners
  3. Future farmers and the carbon farming futures
  4. National PigGas Extension
- j. The department has partnered with the University of Melbourne to strengthen the capacity of extension officers involved with the programme by providing training on land-sector emissions management and Australian Government climate policy. This training involves face-to-face meetings and webinars.

Further, project extension officers are increasing the capacity of the broader extension network by providing this information to other extension officers within the extension network.

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- k. The information that is being provided through these networks includes:
- the sources, scale and cause of land sector emissions
  - the effect that land management practices can have on emissions reduction and carbon sequestration
  - obtainable and practical land sector sequestration and mitigation opportunities, and the associated productivity benefits that can result from these activities, and
  - support for the appropriate participation in the land sector component of the Emissions Reduction Fund
- l. Under the Extension and Outreach programme, \$21.3 million over five financial years has been awarded in grants.
- m. As at 29 September 2015, data provided from the Department of Human Services states that 4,503 FHA recipients were accessing the Farm Household Allowance
- n. As at 29 September 2015, data provided from the Department of Human Services states that 6,815 applications had been received.
- o. The Department of the Environment (DoE) has portfolio responsibility for the Emissions Reduction Fund (ERF). The ERF expands and builds upon the Carbon Farming Initiative. All existing Carbon Farming Initiative projects and eligible activities that relate to agriculture and forestry were moved into the ERF, further information is available on the DoE website at [environment.gov.au/climate-change/emissions-reduction-fund/carbon-farming-initiative-project-transition](http://environment.gov.au/climate-change/emissions-reduction-fund/carbon-farming-initiative-project-transition). Further questions on the transition should be referred to DoE.
- p. Please refer to the answer for question o.
- q. Please refer to the answer for question o.
- r. A modelling report was prepared by the Centre for International Economics on the economic benefits of Australia's North Asia Free Trade Agreements which contains forecasts on the forestry sector.
- s. ChAFTA ensures that Australian producers continue to have full access to trade remedies available under the WTO, including anti-dumping and countervailing measures.

On some heavily imported paper products into Australia, the Government has ensured a phase-out period for the 5 per cent tariff of either 2 or 4 years to allow industry to adjust.



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In addition, ChAFTA includes a temporary bilateral safeguard measure which may be applied if either an Australian or Chinese domestic industry faces “serious injury” due to a surge in imports following a reduction in tariffs under the Agreement.

- t. The department is aware that China has excluded from tariff reductions a total of 168 industrial tariff lines (which includes forestry products). China has excluded from tariff reductions some other wood and paper products. The tariffs on the excluded products are relatively low and trade already occurs for example, Chinese tariffs on imported paper products is either 2, 5 or 7.5 per cent.

Existing duty-free access into China for woodchips and saw logs has been locked-in under ChAFTA.

- u. Most of the excluded forestry lines are cover paper and fibreboards.
- v. The tariff rates for the products that have been excluded range from 2 per cent to 20 per cent with the majority of products having a tariff rate of 5 or 7.5 per cent.
- w. In 2012, the Australian Government provided \$2 million to the International Tropical Timber Organization’s (ITTO) Thematic Programme on Forest Law Enforcement, Governance and Trade (TFLET). Four projects were funded from Australia’s financial contribution. These included:
- \$518,833 for a University of Adelaide run *‘Implementing a DNA timber tracking system in Indonesia’* project.
  - \$456,680 for an Indonesian Ministry of Environment and Forestry run *‘Strengthening the capacity of local institutions to sustainably manage community forestry in Sanggau for improving livelihood’* project.
  - \$459,880 for a Indonesian Director General of Forest Utilization run *‘Strengthening the governance of community forest through improved capacity to adequately perform timber administration in Java and Nusa Tenggara region in Indonesia’* project.
  - \$147,280 for a Papua New Guinea Forest Industry Association run *‘Chain of custody verification for timber processors in Papua New Guinea’* project.

Further information on these projects can be found on the ITTO TFLET webpage: [www.itto.int/thematic\\_programme\\_general/](http://www.itto.int/thematic_programme_general/)

- x. The Department of Agriculture and Water Resources is working with ITTO to identify suitable TFLET projects in which it can invest the remainder of its financial contribution. The department does not anticipate any further regional funding rounds being run at this time.
- y. The final report of the *‘Independent review of the impact of the illegal logging laws on small businesses’* was provided to the then Parliamentary Secretary to the Minister for Agriculture, Senator the Hon. Richard Colbeck, on 29 March 2015. The government is currently considering its response to the report.

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- z. The department provided advice to the government on the mechanisms available to establish the Forest Industry Advisory Council as well as the process to appoint members and observers to the council. The department also provided a list of industry leaders for membership consideration by the former Parliamentary Secretary, Senator the Hon. Richard Colbeck.
- aa. Departmental staff time was utilised in the development of the advice provided to the government. There were no other costs incurred by the department in the establishment of the council.
- bb. The council met on 9 October 2014, 9 December 2014, 18 February 2015, 10 June 2015 and 26 August 2015. All of these meetings were held in Melbourne.
- cc. Three departmental staff attended the meetings on 9 October 2014, 9 December 2014, 18 February 2015 and 10 June 2015. Two departmental staff attended the meeting on 26 August 2015.