

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 3**

**Division/Agency:** Agricultural Policy Division

**Topic:** Rural Research and Development Legislation Amendment Bill

**Proof Hansard page:** 82

**Senator CAROL BROWN asked:**

**Senator CAROL BROWN:** Minister, has the government changed its position on this legislation?

**Senator RUSTON said:** I would have to take on notice the prioritisation of this current government's bills. As you would be aware, there is a process that is undertaken to prioritise. I will have a look and see where this particular bill that has lapsed is on that list. It may have been not reintroduced on the belief that it had not been passed and that it was not seen as a high priority for reintroduction. I am not aware of the specifics, so I will take that on notice to give you some information.

**Answer:**

The Government will be bringing forward legislation to give effect to measures in the "*Rural Research and Development legislation Amendment Bill 2014*" in the spring session as supported by industry through appropriate consultation.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 4**

**Division/Agency:** Agricultural Policy Division

**Topic:** Rural Research and Development Legislation Amendment Bill

**Proof Hansard page:** 82

**Senator McCARTHY asked:**

**Senator McCARTHY:** Will the Rural Research and Development Legislation Amendment Bill be reintroduced in the 45<sup>th</sup> Parliament? That is the question on notice.

**Senator RUSTON said:** We will take that on notice.

**Answer:**

Please refer to the response in question 3 from Supplementary Budget Estimates, October 2016.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 5**

**Division/Agency:** Agricultural Policy Division

**Topic:** Difference between 417 and 462 visa

**Proof Hansard page:** 86

**Senator BACK asked:**

**Senator BACK:** What is the difference between a 417 and a 462 visa?

**Mr McDonald:** Visa policy is the responsibility of the Department of Immigration and Border Protection but, broadly, the difference between the two is that the 417 is a range of agreements with countries where the participant numbers are uncapped. Under the 462 visa Australia has capped arrangements with participant numbers, except for the United States of America. I can find that detail should you wish.

**Senator BACK:** You might just provide it on notice. You spoke of being able to work for the one employer so long as six months is in a different region. What defines a different region?

**Answer:**

Visa policy is the responsibility of the Department of Immigration and Border Protection. Their biannual report on the Working Holiday Maker Program outlines that:

- the Working Holiday Maker (417) visa allows people from the following places to apply: Belgium, Canada, Republic of Cyprus, Denmark, Estonia, Finland, France, Germany, Hong Kong, Republic of Ireland, Italy, Japan, Republic of Korea, Malta, Netherlands, Norway, Sweden, Taiwan and the United Kingdom
- the Work and Holiday Maker (462) visa allows people from the following places to apply: Argentina, Bangladesh, Chile, China, Indonesia, Israel, Malaysia, Poland, Portugal, Slovak Republic, Slovenia, Spain, Thailand, Turkey, the United States of America and Uruguay
- in contrast to the 417 visa, the 462 visa has an annual limit to the number of visas issued to each country (apart from the United States of America), does not have a second-year option implemented, requires applicants to meet educational, English language, character and health requirements and requires applicants to have a letter of support from their government (apart from applicants from China, Israel and the United States of America).

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 6**

**Division/Agency:** Agricultural Policy Division

**Topic:** Tax Rate

**Proof Hansard page:** 89

**Senator CAROL BROWN asked:**

**Senator CAROL BROWN:** And obviously you had a look at the 32.5 per cent tax rate too?

**Mr McDonald:** The modelling and analysis that the review conducted was about what tax rate would deliver a comparable or better after-tax income rate for Australia relative to—

**Senator CAROL BROWN:** Other countries?

**Mr McDonald:** key other countries, those being Canada, New Zealand and the UK.

**Senator CAROL BROWN:** You talked about New Zealand. Do you have the information about the other two countries?

**Mr McDonald:** Yes.

**Senator CAROL BROWN:** Can you table that information?

**Mr McDonald:** I can take it on notice.

**Answer:**

The Department of Agriculture and Water Resources has provided this in its submission to the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package. It is available at [aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Economics).

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 7**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** 90

**Senator CAROL BROWN asked:**

**Senator CAROL BROWN:** They did the analysis. Is that available?

**Mr McDonald:** As I just indicated before to Senator Sterle, I will take on notice whether that can be tabled.

**Answer:**

The Department of Agriculture and Water Resources has provided this in its submission to the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package. It is available at [aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Economics).

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 8**

**Division/Agency:** Agricultural Policy Division

**Topic:** Length of consultation

**Proof Hansard page:** 95

**Senator CAROL BROWN asked:**

**Senator CAROL BROWN:** How long did the consultation take from the closing of submissions to announcement?

**Mr McDonald:** I should have this off the top of my head, but I will try and find it for and come back to you. If not, I will take that on notice. The Deputy Prime Minister opened the submissions on—it has come to me now—on 15 August with the launch of the review and the submission process closed on Friday, 2 September.

**Answer:**

Submissions closed on 2 September 2016 and the announcement was on 27 September 2016.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 9**

**Division/Agency:** Agricultural Policy Division

**Topic:** Face to face consultations

**Proof Hansard page:** 97

**Senator CAROL BROWN asked:**

**Senator CAROL BROWN:** How many people actually went to these face-to-face consultations? Not 1,700 across the nation.

**Mr McDonald:** No. There were a total of 88. I will just check my details to make sure that is the correct figure.

**Senator CAROL BROWN:** Are they 88 organisations? Did politicians attend?

**Mr McDonald:** I wasn't present. I would have to take that on notice.

**Answer:**

No parliamentarians attended the consultations.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 10**

**Division/Agency:** Agricultural Policy Division

**Topic:** Concessional Loans

**Proof Hansard page:** 104

**Senator STERLE asked:**

**Senator STERLE:** Are there 348 dairy farmers concerned in this action—is that right? In this Murray Goulburn fiasco, can you tell us how many dairy farmers are affected?

**Ms Freeman:** Thousands, I would have thought.

**Senator STERLE:** How many?

**Ms Freeman:** I would have to take on notice the exact number of Murray Goulburn suppliers, but it would be in the thousands.

**Answer:**

At the time of its submission to the Senate Economics References Committee (October 2016), Murray Goulburn stated that it has approximately 2 200 dairy farmer suppliers.



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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 11**

**Division/Agency:** Agricultural Policy Division

**Topic:** Agribusiness

**Proof Hansard page:** 111

**Senator BACK asked:**

**Senator BACK:** I want to go through some questions on foreign investment with our agricultural policy division. This process started some years ago with the then Senator Heffernan and myself, and early attempts were a bit rudimentary. I remember asking not your colleagues but others from FIRB and other agencies, 'What about agricultural leased land?' and we were met with blank stares. I also remember the question being asked, in regard to foreign investment, 'What if a foreign investor purchased agricultural land but was not going to use it for agricultural purposes?' and how that fitted into the scheme. So we have progressed over time.

What I want to know from you, if I may, is: what have been the impacts from lowering the thresholds for agricultural land and agribusinesses through FIRB's scrutiny? Can you give us any advice on that?

**Mr Quinlivan:** Mr Blong can give you the numbers, as we understand them at the moment.

**Mr Blong:** I would probably need to refer that to Treasury, to work out the total number of applications that FIRB processes in this area and what potential impact changes in thresholds have had. I do not have exact numbers of applications that have gone through FIRB. I will take it on notice.

**Ms Freeman:** I might add that the number the department has seen has probably increased, easily five-fold, in terms of the applications that have come to us since the new arrangements came in place. We saw, last financial year, probably in the order of 250 to 260 applications that we were asked to provide comment on for the FIRB.]

**Senator BACK:** And that was agricultural land and/or agribusinesses?

**Ms Freeman:** Yes, combined. I would have to take it on notice, the split—

**Senator BACK:** If you could.

**Ms Freeman:** but I think there has been a very significant increase. The majority, I think it is safe to say, would be on land over agribusiness.

**Senator BACK:** In taking that on notice, you might be able to also bear in mind my question with regard to the division between freehold title land and leased land.

**Question: 11 (continued)**

**Ms Freeman:** Yes...

**Senator BACK:** Again, in terms of those questions you are going to obtain answers for, I am interested in knowing the proportion of land and/or agribusinesses—but probably land—owned by sovereign wealth funds, if that can be isolated, both in terms of freehold and leasehold land. The figures we have seen to date are based on hectares of land but not on value. Do you know whether or not the value of properties has been captured at the time of declaration by foreign interests?

**Mr Blong:** I will have to check that, but I believe that the registration details required by the ATO include the market value of the land in Australian dollars. Other than that, in terms of how that data is used and collated by the ATO, that is a matter for them.

**Answer:**

Lowering the thresholds for agricultural land and agribusiness has resulted in an increase in the number of applications submitted to the Foreign Investment Review Board (FIRB). Statistics on the number of applications considered are included in the FIRB Annual Report.

The 2014-15 FIRB Annual Report stated that 77 applications worth \$5.3 billion were screened and approved in the agriculture, forestry and fisheries sectors, up from 58 proposals worth \$3.4 billion in 2013-14. From 1 March 2015, the general agricultural screening threshold was lowered from \$252 million to \$15 million, to improve the transparency of investment into this sector. Following this change, between 1 March 2015 and 30 June 2015, 17 proposals were screened and approved for the sector which would not have been captured under the \$252 million threshold. FIRB reported that of the \$5.3 billion in foreign investment proposals approved into the sector in 2014-15, China was the largest source country by value (\$2.5 billion), followed by the United States (\$1 billion), Singapore (\$619 million), Canada (\$597 million), and the United Kingdom (\$175 million).

Within the 62 foreign investment proposals worth \$19.5 billion in the manufacturing sector in 2014-15, FIRB reported there were 8 proposals worth \$3.8 billion in food, beverages & tobacco. This was still subject to the \$252 million threshold, which was reduced to \$55 million from 1 Dec 2015 for the new agribusiness category. The 2015-16 FIRB report is likely to show a larger number and higher value of proposals screened under the new lower threshold for agribusiness applicable for seven months of the FY2015-16.

The 2015-16 FIRB report is likely to show a larger number of proposals screened as a result of the reduced agribusiness threshold from 1 December 2015.

The 2015-16 Annual Report is currently being prepared by the Treasury Department and will be released in due course.

**Question: 11 (continued)**

The first report under the Register of Foreign Ownership of Agricultural Land (Agricultural Land Register) was released by the Treasurer on 7 September 2016. The Australian Taxation Office (ATO) administers the Agricultural Land Register and receives information directly from foreign investors. Unlike the Australia's foreign investment screening regime, where only acquisitions above certain monetary thresholds need prior approval, all foreign investors with an interest in agricultural land are required to register that interest, regardless of the value of the land. The Agricultural Land Register also includes a breakdown of investment based on freehold and leasehold interests. The report found that the majority of foreign land purchased (82 per cent) was leasehold.

The ATO requires each foreign investor registrant to complete a Land Registration Form. This includes fields for land title details, including the market value of land in Australian dollars.

Confidentiality provisions in the *Taxation Administration Act 1953* prevent the disclosure of information which could identify or reasonably be used to identify an individual entity.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 12**

**Division/Agency:** Agricultural Policy Division

**Topic:** Wilmar

**Proof Hansard page:** 115

**CHAIR asked:**

**CHAIR:** Let's call an agreement an instrument between a grower and, in this case, Wilmar, the miller. Are you aware that the great majority of Wilmar growers have not entered into cane supply agreements with Wilmar? Forget about the tonnages for a moment.

**Ms Freeman:** I would have to take the specifics on notice, but I understand there are quite a number that are still outstanding.

**Answer:**

Wilmar Sugar Australia Limited has notified the department that it has approximately 1500 cane growers that supply cane to its mills. As at 28 October 2016, 150 have cane supply agreements.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 13**

**Division/Agency:** Agricultural Policy Division

**Topic:** Dialogue with other sugar parties in Queensland

**Proof Hansard page:** 115

**CHAIR asked:**

**CHAIR:** I am drawn to your comment that you are in dialogue with some of the parties in sugar in Queensland. Would that include Wilmar?

**Ms Freeman:** We most recently had a conversation—we are talking of Friday—with the Sugar Milling Council. We will be talking to them about specifics. I would have to take on notice the matter of when I last spoke to anyone from Wilmar. It is been quite some time.

**Answer:**

Yes, our dialogue includes representatives from Wilmar Sugar Australia Limited.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 14**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Is the Department aware of what assumptions were applied to the economic modelling on the 32.5% tax rate for working holiday makers?

**Answer:**

The Treasury outlined their assumptions in the 26 October 2016 public hearing of the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package (Proof Hansard, page 26).

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 15**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Is the Department aware of what assumptions were applied to the economic modelling on the 19%?

**Answer:**

The Treasury outlined their assumptions in the 26 October 2016 public hearing of the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package (Proof Hansard, page 26).

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 16**

**Division/Agency: Agricultural Policy Division**

**Topic: Backpacker Tax**

**Proof Hansard page: Written**

**Senator STERLE asked:**

Do you know if different assumptions applied to the 19% compared to 32%?

**Answer:**

The Treasury outlined their method for costing the 2015-16 Budget measure and a subsequent 19 per cent income tax rate in the 26 October 2016 public hearing of the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package (Proof Hansard, page 26).



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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 17**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Is the department aware that Treasury briefed the Labor Party/Opposition that backpacker numbers will continue to decline at the 19% rate?

**Answer:**

The department is aware that The Treasury briefed the Labor Party on the Working Holiday Maker Reform package but not aware of the content of that briefing.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 18**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has the department sought a formal briefing from Treasury on the revised tax rate?

**Answer:**

The department worked with the Treasury during the Working Holiday Maker Visa review and in the lead up to the announced package of measures.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 19**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has the Minister sought economic modelling from his own Bureau of Agricultural and Resources Economics and Sciences on the impact of the backpackers tax?

**Answer:**

The Australian Bureau of Agricultural and Resources Economics and Sciences contributed to the analysis presented to the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package. The department's submission is available at [aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Economics).

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 20**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has Treasury discussed the increase in Passenger Movement Charge (PMC) with the Department of Agriculture?

**Answer:**

It is standard practice for matters being put to the Cabinet to be canvassed between relevant government departments.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 21**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has Treasury provide a formal briefing to the Minister for Agriculture on the new tax package?

**Answer:**

No. The Department of Agriculture and Water Resources has briefed its minister on the full package of measures.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 22**

**Division/Agency: Agricultural Policy Division**

**Topic: Backpacker Tax**

**Proof Hansard page: Written**

**Senator STERLE asked:**

Did the Minister seek a formal briefing on the PMC?

**Answer:**

The Department of Agriculture and Water Resources has briefed its minister on the full package of measures.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 23**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Post the announcement of new tax package, has Treasury provided the Agriculture Department a briefing on the new tax measure? If so were competitiveness issues raised?

**Answer:**

The department worked with the Treasury during the course of the Working Holiday Maker Visa review and in the lead up to the announced package of measures.

Competitiveness issues are addressed in the department's submission to the Senate Economics Legislation Committee's Inquiry into the Working Holiday Maker Reform package. It is available at [aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics](http://aph.gov.au/Parliamentary_Business/Committees/Senate/Economics).

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 24**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has Treasury discussed super changes with the Department of Agriculture?

**Answer:**

It is standard practice for matters being put to the Cabinet to be canvassed between relevant government departments.



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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 25**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has the Minister sought a formal briefing on the super changes?

**Answer:**

The Department of Agriculture and Water Resources has briefed its minister on the full package of measures.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 26**

**Division/Agency: Agricultural Policy Division**

**Topic: Backpacker Tax**

**Proof Hansard page: Written**

**Senator STERLE asked:**

Why did the Treasurer and the Minister for Agriculture hold separate media conferences to announce the new package?

**Answer:**

Arrangements for media conference are a matter for ministers and their offices.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 27**

**Division/Agency:** Agricultural Policy Division

**Topic:** Backpacker Tax

**Proof Hansard page:** Written

**Senator STERLE asked:**

Were there initial discussions to hold a joint press conference?

**Answer:**

Arrangements for media conference are a matter for ministers and their offices.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 28**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development Corporations

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has the department commenced recovering the cost of memberships of international commodity organisations from the matching funding it contributes to relevant RDCs?

**Answer:**

The answer to this question was provided to the Committee on 18 October 2016. Page 82 of the Committee Hansard shows:

**Senator McCARTHY:** I have two questions for you, Minister, to take on notice. Has the department commenced recovering the cost of memberships of international commodity organisations from the matching funding it contributes to relevant RDCs—

**Mr Quinlivan:** No.

**Senator McCARTHY:** You can answer that now?

**Mr Quinlivan:** Yes.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 29**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development Corporations

**Proof Hansard page:** Written

**Senator STERLE asked:**

Will the Rural Research and Development Legislation Amendment Bill be reintroduced in the 45<sup>th</sup> Parliament?

**Answer:**

Please refer to the response provided in question 3 from Supplementary Budget Estimates hearings, October 2016.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 30**

**Division/Agency:** Agricultural Policy Division

**Topic:** Murray Goulburn

**Proof Hansard page:** Written

**Senator STERLE asked:**

When will the ASIC report into the Murray Goulburn dairy crisis be released?

**Answer:**

On 26 October 2016, ASIC advised the Senate Economics References Committee inquiry into the dairy industry that it was not in a position to provide indications or commitments as to when its inquiries into Murray Goulburn will be completed.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 31**

**Division/Agency:** Agricultural Policy Division

**Topic:** Dairy Assistance

**Proof Hansard page:** Written

**Senator STERLE asked:**

Provide an update of the full range of assistance measures to dairy farmers?

**Answer:**

On 25 May 2016, the Australian Government announced a \$579 million dairy support package (see Table, below).

Question: 31 (continued)

Table: Assistance measures to dairy farmers

Measure	Status																								
<p>Dairy Recovery Concessional Loans</p>	<p>Dairy Recovery Concessional Loans have been made available in Tasmania, New South Wales, Victoria and South Australia to assist dairy farm businesses affected by the retrospective decisions of Murray Goulburn and Fonterra to reduce farm gate milk prices in 2015–16. As at 4 November 2016, uptake is as follows:</p> <table border="1" data-bbox="459 555 1407 1021"> <thead> <tr> <th>State</th> <th>Applications received</th> <th>Farm businesses approved</th> <th>Amount approved (A\$million)</th> </tr> </thead> <tbody> <tr> <td>New South Wales</td> <td>14</td> <td>6</td> <td>3.519</td> </tr> <tr> <td>Victoria</td> <td>182</td> <td>58</td> <td>28.400</td> </tr> <tr> <td>South Australia</td> <td>9</td> <td>2</td> <td>2.000</td> </tr> <tr> <td>Tasmania</td> <td>5</td> <td>4</td> <td>3.245</td> </tr> <tr> <td><b>Total</b></td> <td><b>210</b></td> <td><b>70</b></td> <td><b>37.16435.495</b></td> </tr> </tbody> </table> <p>Victoria has also advised a further 17 farm businesses have reviewed offers for loans valued at \$9.9 m (as at 4 November 2016).</p>	State	Applications received	Farm businesses approved	Amount approved (A\$million)	New South Wales	14	6	3.519	Victoria	182	58	28.400	South Australia	9	2	2.000	Tasmania	5	4	3.245	<b>Total</b>	<b>210</b>	<b>70</b>	<b>37.16435.495</b>
State	Applications received	Farm businesses approved	Amount approved (A\$million)																						
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<p>Fast track the upgrade of the Macalister Irrigation District</p>	<p>Under the \$500 million National Water Infrastructure Development Fund, the Australian Government has committed to co-fund the construction of a number of water infrastructure projects across the country, including \$20 million for the Modernisation of the Macalister Irrigation District. The Commonwealth is working with the Victorian Government to finalise the Partnership Management under which this funding will be provided.</p>																								
<p>Additional rural financial counsellors in Victoria, Tasmania, South Australia and New South Wales</p>	<p>Completed</p> <p>\$905,000 was allocated to seven RFCS regions with a high number of farmers supplying Murray-Goulburn and Fonterra, for additional rural financial counsellors and industry advisers this year. In September 2016, Deputy Prime Minister Joyce approved a further \$1.665 million to maintain increased staffing levels for RFCS providers in dairy regions, until the end of 2017.</p>																								
<p>Funding for 'Tactics for Tight Times' programme</p>	<p>The department is finalising a funding deed for the provision of \$900,000 to Dairy Australia Limited to supplement its 'Tactics for Tight Times' programme, which supports increased farmer resilience and business management capabilities by providing appropriate tools and expert advice</p>																								



	targeted to the circumstances of each farming enterprise/business. This funding will be paid to Dairy Australia by the end of November 2016.
18 more Department of Human Services (DHS) employees processing Farm Household Allowance (FHA) claims	Completed.  DHS advises additional assessment officers have been allocated to help process an increase in FHA applications from within the dairy industry since May 2016.
DHS Dairy Industry Liaison Officer	DHS advises the Dairy Industry Liaison Officer continues to act as an information broker, linking dairy farmers up with state and federal assistance and local services. The officer is mobile and is focused particularly in parts of Victoria and south eastern South Australia where concentrations of dairy farmers and FHA applicants are high.
Redirection of two DHS Mobile Service Centres	DHS advises two Mobile Service Centres were redirected to key dairy regions in Victoria and South Australia for six weeks to provide dairy farmers with information about and access to Australian Government services.

Other measures available to dairy farmers include:

- Farm Management Deposits, which allow eligible primary producers to set aside pre-tax income from primary production in years of high income, which they can draw on in future years when they need it; and
- a number of tax offsets, deductions and concessions including accelerated depreciation for water and fodder infrastructure and fencing.
- Further information on measures is available at: [www.agriculture.gov.au/ag-farm-food/drought/assistance/tax-relief](http://www.agriculture.gov.au/ag-farm-food/drought/assistance/tax-relief).

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 32**

**Division/Agency:** Agricultural Policy Division

**Topic:** Dairy Assistance

**Proof Hansard page:** Written

**Senator STERLE asked:**

How will the effectiveness of these measures be assessed?

**Answer:**

The Department of Agriculture and Water Resources develops monitoring and evaluation (M&E) plans for the programmes it administers or for which it has policy responsibility.

Where programmes are administered or services delivered by other organisations on the department's behalf, this is actioned under an agreement or contract, which includes requirements for the delivery agents/service providers to report regularly on operations (including, where relevant, key performance indicator reporting).

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 33**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development

**Proof Hansard page:** Written

**Senator STERLE asked:**

What work has the department undertaken to ensure that the design of new programmes is informed by an appropriate assessment of costs, risks and benefits of alternative delivery models?

**Answer:**

In developing ministerial briefing to support the design of new programmes, the department routinely considers the costs, risks and benefits of alternative delivery models as appropriate.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 34**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development

**Proof Hansard page:** Written

**Senator STERLE asked:**

Why wasn't a more robust assessment undertaken when developing the R&D for profit programme?

**Answer:**

The 2013 election commitment was to invest \$100 million in additional funding for Rural Research and Development Corporations. In implementing this commitment, the department considered and briefed the Minister on delivery options for the provision of funding to the Rural Research and Development Corporations.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 35**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development

**Proof Hansard page:** Written

**Senator STERLE asked:**

Has the department expanded the existing performance measures for the Rural R&D for Profit Programme, and/or develop additional measurement tools to better inform an assessment of the achievement of (or progress towards) programme objectives.

**Answer:**

The department will use the Australian National Audit Office report findings to strengthen the programme for future funding rounds and implement, where appropriate, specific suggestions for strengthening the performance measurement and evaluation of the programme.

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

**ANSWERS TO QUESTIONS ON NOTICE**

**Supplementary Budget Estimates October 2016**

**Agriculture and Water Resources**

**Question: 36**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development

**Proof Hansard page:** Written

**Senator STERLE asked:**

Provide detail as to how the program outcomes will be measured?

**Answer:**

An independent evaluation of the Rural R&D for Profit programme will be undertaken in its fourth year to examine whether the programme is meeting its stated objectives and consider if the guidelines and objectives need further refinement. A further independent evaluation will be undertaken in the eighth (final) year of the programme to measure performance against outcomes and objectives.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 37**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development

**Proof Hansard page:** Written

**Senator STERLE asked:**

How much independence does the department have in developing changes to the R&D for profit program?

**Answer:**

Consistent with the *Commonwealth Grants Rules and Guidelines*, programme design is a decision of government. The department provides advice to the Minister on implementation of the program including feedback from stakeholders.

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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 38**

**Division/Agency:** Agricultural Policy Division

**Topic:** Research and Development

**Proof Hansard page:** Written

**Senator STERLE asked:**

**Senator STERLE:** Is the Minister aware of the programmes failings?

**Answer:**

The Auditor-General for Australia provided the Deputy Prime Minister, the Hon. Barnaby Joyce MP, Minister for Agriculture and Water Resources, with the Australian National Audit Office report *Design and Monitoring of the Rural Research and Development for Profit Programme* on 16 September 2016.

The report recognises the department has adopted a sound approach to implementing the programme, and supports the programme's role in enhancing collaborative and cross-sectoral research that is improving productivity and profitability for rural industries.

The programme is very successful and is strongly supported by the Rural Research and Development Corporations and industry stakeholders.

As with any programme, the minister and the department will continue to look at ways to improve the programme.



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

**ANSWERS TO QUESTIONS ON NOTICE**

Supplementary Budget Estimates October 2016

**Agriculture and Water Resources**

**Question: 39**

**Division/Agency:** Agricultural Policy Division

**Topic:** Kangaroos

**Proof Hansard page:** Written

**Senator RHIANNON asked:**

In 2009 the Kangaroo Industry Association of Australia received Department funding of \$237,245.00 for Project No: GMS-0539: To develop strategies and concepts for promoting and marketing kangaroo meat in Australia and China.

- a) Please provide a breakdown and details of how that grant was expended, including details of travel, meetings, events, research etc.
- b) Please provide copies of any report, information or promotional material, outcomes, or any other material that was written using this funding

**Answer:**

- a) The Kangaroo Industry Association of Australia Inc. (KIAA) was allocated up to \$215 677 (GST exclusive) under the Promoting Australian Produce programme, to be matched by funds from the applicant, to undertake the project *Development of marketing and distribution initiatives and concepts for kangaroo meat*. Actual expenditure was limited to \$102 917 (GST exclusive)—including \$51 458 from the Commonwealth—as project implementation was restricted by the failure to secure China market access during the project term.

**Question: 39 (continued)**

A breakdown of project expenditure is provided below:

	ACTIVITY	EXPENDITURE
1	Meetings to establish operating guidelines and structure for single trading entity	\$15,768.19
2	Registration of commercial kangaroo meat trading entity	\$2,736.00
3	Project Management: stakeholder liaison, time spent delivering activities 1 and 2.	\$5,104.00
4	Development/design of Chinese-style kangaroo recipe competition and Chinese Kangaroo meat name competition, in Australia	\$10,727.28
5	Industry meeting to establish existing commercial links and strategy development.	\$1,337.65
6	Market research to map current (Chinese) market understanding and identify potential opportunities	\$928.00
7	Market visit to China to liaise with potential importers/distributors	\$3,695.86
8	Website development: Develop Chinese language kangaroo meat and leather website as capacity building for promotion plan	\$6,789.94
9	Development/design of kangaroo name and recipe competition in China	\$0.00
10	Inspection of Australian kangaroo meat facilities by Chinese AQSIQ authorities	\$0.00
11	Project management: wage costs to deliver activities 7-10	\$6,554.00
12	Import application preparation to satisfy Chinese State Forestry Administration (SFA)	\$4,004.00
13	Script and design 3-4 Chinese language cooking videos highlighting winning recipes from the competition	\$15,807.68
14	Chinese retail consultation to identify appropriate cuts of meat and packaging for the Chinese market	\$6,908.20
15	Develop AQIS-approved handling techniques/procedures for full-tail kangaroo bodies.	\$0.00
16	Industry meeting to plan ongoing market development strategy	\$1,954.20
17	Establish a China based marketing office, inclusive of six months staff costs.	\$20,601.84
18	Market research (manufacturing, food service and retail sectors) to review and refine marketing strategy	\$0.00
	<b>TOTAL</b>	<b>\$102,916.84</b>

The final project report was submitted to the department by the KIAA on 16 May 2011.

b) Project outputs to assist the industry to market kangaroo meat to China in future included:

- a dedicated Chinese language website focusing on kangaroo meat
- Chinese language recipes and video cooking demonstrations
- generation of interest in retail kangaroo meat products
- a structural framework for generic industry market development in China
- ready to implement import registrations for Chinese importers to lodge with their authorities
- an on-ground presence to maintain interest in the product leading up to import approval
- market penetration into domestic Australian Chinese restaurants for kangaroo meat.