



Australian Government

Department of Agriculture, Fisheries and Forestry

Senator the Hon. Glenn Sterle
Chairman
Senate Rural Affairs and Transport Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Sterle

Having reviewed the transcript of the Budget Estimates hearing conducted by the Senate Rural Affairs and Transport Legislation Committee on 23 and 24 May 2011, I would like to make the following corrections.

The first correction relates to an answer provided by Dr O'Connell to a question from Senator Nash, which can be found on page 12 of the proof Hansard of 23 May 2011.

Senator NASH—Just one second. I am just asking where you are saying here very clearly that you are going to save \$32.8 million through the rationalisation of corporate functions, what we are trying to get an understanding of is exactly what those corporate functions are.

Dr O'Connell—The \$32.8 million are hits. Very little of that hits in the first financial year. That mostly is in the three out years. If you look at the budget papers—I cannot remember the exact figures—but 800,000 comes off next year and then we have got \$11 million-odd in each of the following years.

Dr O'Connell mistakenly described an injection of funds as a saving. The correct response should read:

Dr O'Connell—The \$32.8 million are hits. Very little of that hits in the first financial year. That mostly is in the three out years. If you look at the budget papers—I cannot remember the exact figures—but 800,000 comes on next year and then we have got \$11 million-odd off in each of the following years.

The second correction relates to an answer provided by Dr O'Connell to a question from Senator Colbeck, which can be found on page 12 of the proof Hansard of 23 May 2011.

Senator COLBECK—That is why I am asking the questions, so you say you are going to anticipate that I come back and ask you more about your planning process when we get to this time next year. Really, all I am trying to get a sense of is that you can demonstrate that you have got a plan to do this. The last two or three incarnations it has almost been, 'Okay, we have to try to make this fit and make this work.' These are fairly significant cuts to your budget. The planning work that occurred three years ago, okay, you reacted to it in a significant manner in one area by pausing the graduate program, which had an impact over a period of time, but those sorts of things are not necessarily the way to look at this in the longer term. You must have some

way of assessing this within the process, even reporting to your minister, so that you can demonstrate that you are achieving some of the targets and the benchmarks that you set.

Dr O'Connell—We meet our budget. We have managed ourselves within our budget. In terms of what we are facing now, we have what is some reasonable luxury in terms of having some time to also plan this and do the sort of re-engineering work you want to do if you are trying to make efficiency gains. Having an \$800,000 target for next year out of that \$32.8 million gives us quite a lot of planning and flexibility. We will not need to do anything which is a kneejerk response just to hit early savings. We are able to do a re-engineering process.

Following from the previous correction, clarifying the injection of savings, the correct response should read:

Dr O'Connell—We meet our budget. We have managed ourselves within our budget. In terms of what we are facing now, we have what is some reasonable luxury in terms of having some time to also plan this and do the sort of re-engineering work you want to do if you are trying to make efficiency gains. Having an \$800,000 injection for next year from a savings package of \$32.8 million in total gives us quite a lot of planning and flexibility. We will not need to do anything which is a kneejerk response just to hit early savings. We are able to do a re-engineering process.

The third correction relates to an answer provided by Dr O'Connell to a question from Senator Nash, which can be found on page 20 of the proof Hansard of 23 May 2011.

Senator NASH—Thank you. The question was: if it has been interim for two years and it is just reliant on a piece of legislation coming through to make it permanent, why has that not occurred as yet?

Dr O'Connell—The minister set out just before that we are going through a process of a complete review of the Quarantine Act. That is a 108-year-old act, plus amendments along the way, in order to bring it up to date is part of that process. That is not a trivial exercise. That is a very large statutory exercise he will see—

Dr O'Connell mistakenly referred to the incorrect age of the act. The correct response should read:

Dr O'Connell—The minister set out just before that we are going through a process of a complete review of the *Quarantine Act 1908*. That is a 103-year-old act, plus amendments along the way, in order to bring it up to date is part of that process. That is not a trivial exercise. That is a very large statutory exercise he will see—

The fourth correction relates to an answer provided by Ms Freeman to a question from Senator Colbeck, which can be found on page 28 of the proof Hansard of 23 May 2011:

Ms Freeman—Fran Freeman, Executive Manager of Corporate Policy Division. In answer to your first question, which was the total expenditure for media monitoring from 1 July 2010 to 30 April, for the department was 2008, \$409, GST inclusive.

Senator COLBECK—2008?

Ms Freeman—Yes, \$409.

Senator COLBECK—It has gone down since additional estimates.

Ms Freeman—No, that was the amount—I think the 283 amount—

To be clear on the total expenditure the correct response should read:

Ms Freeman—Fran Freeman, Executive Manager of Corporate Policy Division. In answer to your first question, which was the total expenditure for media monitoring from 1 July 2010 to 30 April, for the department was \$208,409, GST inclusive.

Senator COLBECK—\$208,000?

Ms Freeman—Yes, \$208,409.

Senator COLBECK—It has gone down since additional estimates.

Ms Freeman—No, that was the amount—I think the \$283,000 amount—

The fifth correction relates to an answer provided by Mr Aldred to a question by Senator Colbeck, which can be found on page 45 of the proof Hansard of 23 May 2011:

Senator COLBECK—Are there a range of payments made as part of the process or is it a consistent number? There was a limit to the amount to be paid, wasn't there?

Mr Aldred—On the support payments?

Senator COLBECK—Yes.

Mr Aldred—The average was a bit over \$100,000: they ranged from, I believe, about \$4000 up to \$200,000.

To clarify and give more context and information to the Senate, that applicants could have received two payments under the scheme, the correct response should read:

Mr Aldred—The average was a bit over \$100,000: they ranged from, I believe, about \$4000 up to \$200,000. Applicants could receive up to \$200,000 for harvesting activities and up to \$100,000 for haulage activities. Three applicants received the maximum grant under harvesting and haulage activities for a combined total of \$300,000.

The sixth correction relates to an answer provided by Mr Aldred to a question from Senator Brown, which can be found on page 46 of the proof Hansard of 23 May 2011:

Senator BOB BROWN—Has the department met up with Datuk Abdul Hamed Sepawi or other executives from Ta Ann?

Mr Aldred—No.

Mr Aldred's response may have inferred that the department has not met with Datuk Abdul Hamed Sepawi or other executives from Ta Ann. This is not the case. The correct response should read:

Mr Aldred—No the department has not met with Datuk Abdul Hamed Sepawi but we would need to check regarding other executives from Ta Ann.

The seventh correction relates to an answer provided by Dr Begg to a question from Senator Colbeck, which can be found on page 104 of the proof Hansard of 23 May 2011:

Senator COLBECK—So it was one of the strongest results that we have seen in the series. Do we have a reference point for that?

Dr Begg—I think the first year of the aerial survey was around 1992, so it would be up around that level.

Dr Begg mistakenly referred to the wrong year for the commencement of the survey. The correct response should read:

Dr Begg—The first year of the aerial survey was 1993, so it would be up around that level.

The eighth correction relates to an answer provided by Dr Eva Bennet-Jenkins to a question from Senator Back, which can be found on page 118 of the proof Hansard of 23 May 2011:

Senator BACK—I understand that there is a company that has made application to you regarding the availability of the base chemical that could then be made available to farmers for them to mix with grain. Is that correct?

Dr Bennet-Jenkins—That is correct. We have an application before us to consider that. We are considering that application. The concerns with such a practice, of course, are occupational health and safety concerns. The applicant has provided us with some additional data, which we received on Friday, and the department of health is considering that information right now.

Dr Bennet-Jenkins talks about emergency permits later on that page, however, does not make that distinction in her first response. The Australian Pesticides and Veterinary Medicines Authority (APVMA) have an application for registration in addition to the emergency permit application, which could confuse the issue. The correct response should read:

Dr Bennet-Jenkins—That is correct. We have an emergency permit application before us to consider that. We are considering that application. The concerns with such a practice, of course, are occupational health and safety concerns. The applicant has provided us with some additional data, which we received on Friday, and the department of health is considering that information right now.

The ninth correction relates to an answer provided by Dr O'Connell to a question from Senator Back, which can be found on page 18 of the proof Hansard of 24 May 2011.

Senator BACK—I am happy for you to answer whatever you are able to answer. What I am seeking is your explanation—

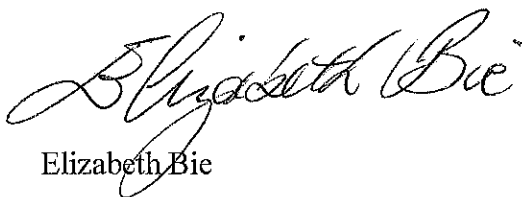
Dr O'Connell—If a container is not of quarantine concern, so it has not flagged a quarantine concern, then it could be picked up without quarantine. The ones that are looked at are the ones which are flagged of quarantine concern. They have risk.

To better describe the process the correct response should read.

Dr O'Connell—If a container is not of quarantine concern, so it has not flagged a quarantine concern, then it could be picked up without quarantine. The ones that are looked at are the ones which are flagged of quarantine concern. They have a higher level of risk.

Thank you for the opportunity to review the transcript of the Budget Estimates Hearing from May 2011 and to provide clarification on the above points.

Yours sincerely



Elizabeth Bie

General Manager
Ministerial and Parliamentary Branch

21 June 2011