

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 01

Division/Agency: Climate Change Division

Topic: The Pilot of Drought Reform Measures in Western Australia

Proof Hansard Page: 23 (20/10/2010)

Senator Back asked:

Senator BACK—I want to put the Western Australia perspective and perhaps give some understanding. The minister was in WA a couple of weeks ago—and farmers were appreciative of that, Minister. In a normal year we would receive about 14 million to 16 million tonnes of wheat. This year, last Friday, Co-operative Bulk Handling's assessment upgraded was four million tonnes for the year. That is the level. As of two weeks ago, they announced they would not be opening 100 receiving points, so that figure has probably gone up since then. That is the first time in the history of the state. With regard to the program, there were agricultural advisers to the drought reform scheme; that is the term I will use. Is that a reasonable term, drought reform scheme?

Mr Noble—The drought reform pilot.

Senator BACK—My understanding is that agricultural advisers were effectively excluded in the planning program, as has been told to me by two of the largest ones. Is there any reason why they did not participate in the planning phase?

Mr Mortimer—There is no specific reason on that, Senator. The Commonwealth discussed the arrangements for the program with the WA state government and it was settled between the two governments with the support of the two agencies—the WA agricultural department and ours. As I understand it, WA agriculture developed a specific training scheme for this pilot, which is being delivered by Curtin University. So it was not specifically excluding advisers. Rather, it was developing a new set of modules to provide a comprehensive farm-planning and training scheme, which was to be a key part of the pilot. That is the way it was developed, as far as we understand.

Dr O'Connell—Senator, the farm-planning component is funded and delivered by the WA department. So this is a partnership where they deliver some components and fund some components and we do others. If you want further information, we can certainly get what we can.

Senator BACK—I ask the question really on the basis that I would have thought since the farm management consultants or financial advisers to agriculture probably have the portfolio of the most successful farmers in the state, there would have been a lot of merit and wisdom in including those people who could have actually given

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 01 (continued)

some guidance to the planning for the program, and particularly the type of information that would be required by the people who are going to participate.

Mr Mortimer—I understand what you are saying, Senator. As I said earlier, this was designed as a new measure to test a new approach. That is why the modules were put together—to try to be comprehensive. How ag WA pulled that together and who they got advice from is not something I can speak about here and now. But I am happy to take that on notice, as Dr O’Connell suggested, and provide any further comment on that.

Answer:

The Department of Agriculture and Food, Western Australia (DAFWA) is funding and delivering the Farm Planning program under a National Partnership Agreement with the Australian Government for the pilot of drought reform measures in Western Australia.

DAFWA has engaged Curtin University to develop and run the Farm Planning training modules, including selecting the course facilitators. The course facilitator positions were publicly advertised and DAFWA advise that several agriculture consultants have been engaged.

The independent advisory panel that is assessing the strategic business plans developed under the Farm Planning program includes an agriculture consultant nominated by the Australian Association of Agricultural Consultants.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 02

Division/Agency: Climate Change Division

Topic: The Pilot of Drought Reform Measures in Western Australia

Proof Hansard Page: 25 (20/10/2010)

Senator Back asked:

Senator BACK—Multi-peril crop insurance.

Mr Mortimer—Look, Senator, there was a major study on that done a few years ago, which the department was engaged in. I think it was when Minister Truss was minister for the portfolio. It was done in conjunction with industry organisations and with the insurance industry. I think it has been provided and made public over time. That was a very significant analysis of multi-peril crop insurance which found that there are considerable problems with implementing multi-peril crop insurance in Australia. I suppose to cut to the chase, it found that there are a lot of problems and risks, particularly around data and the availability of data and what that might mean for farmers but also that the costing did not stack up in terms of a commercial proposition. The only way it could be expected that a multi-peril crop insurance scheme could operate in Australia would be with considerable government support. So, at the time, the government decided not to proceed with that. We have the study. I think it is still current. We draw on that material and analysis when need be.

Senator BACK—I can perhaps advise you that industry at the moment is trying to finalise funding for a comprehensive feasibility study, with input from those most likely to be affected by continuing failure, including the banks, the bulk handling groups, the grain handlers et cetera. The average cost of putting in a crop in Western Australia now is about \$1 million. It is likely that up to 50 per cent of Western Australian grain growers next year will not be able to get the finance to put a crop in unless there is some degree of assistance. I will perhaps provide that for information rather than question. Whilst Minister Redman is certainly being canvassed, do I take it from here that there would not be capacity for support from your department to assist with that feasibility study? Again, remember that previous studies, Mr Mortimer, have been conducted based on profit of the crop whereas the current study is based on a cost of production recovery.

Dr O'Connell—I think you were talking a little hypothetically in one sense. Before we took a definitive position, it would be something that I would want to discuss with the minister and brief the minister on. I think there is a fundamental issue with multi-peril crop insurance that is subsidised by government, and that is the degree to which it potentially creates perverse results in terms of risk management by the subsidised farmer. And that comes out regularly as one of the driving concerns. If you are clear that you will be subsidised essentially for the risk of your crop production, you may well take different risks. You have a different risk profile, essentially.

Senator BACK—I concur with that, Dr O'Connell, except to say that there may be a case for support for a limited number of years—maybe three to five years—to establish a sufficient pool of farmers who can then carry that program on. I agree with

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 02 (continued)

you about it as a permanent arrangement. I am well aware of the circumstances in Canada and the United States, where you are correct. If a feasibility study were to support the assertion that premiums and a sufficient pool of farmers could keep it going without government support over time, I would urge that such consideration be given to support it by federal and state, for that matter, governments.

Mr Mortimer—We are happy to provide that study again, subject to any issues that the minister might have. I think it has been provided to senators previously. That will be helpful. It was a very thorough analysis. It sets out all the issues. It might be beneficial to both you and the farmers in WA, although my memory was that there was representation from WA farmers on the working group for that at the time. I cannot remember the exact names of the people.

Senator BACK—Thank you.

Answer:

The Australian Government funded a study undertaken by Ernst and Young on Multi-Peril Crop Insurance in 2000. A copy of the final report is attached.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 03

Division/Agency: Climate Change Division

Topic: The pilot of drought reform measures in Western Australia

Proof Hansard Page: 27 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—Was there a qualification period from someone receiving previous payments coming on to the new program?

Mr Noble—For the building farm business grants, the up to \$60,000 grants, there is an eligibility criterion that a farm business cannot receive both a farm business grant and an exceptional circumstances interest rate subsidy in subsequent years. The payments under the building farm business program are provided over four years to the successful farm businesses.

Senator COLBECK—So what funding has been expended to date? Have we already done that?

Mr Mortimer—Yes. I think you have done it in terms of the number of farmers uptake, so that might answer that.

Senator COLBECK—So does number of farmers equate to a figure, does it, specifically?

Mr Mortimer—That quantum of expenditure?

Senator COLBECK—Yes.

Mr Noble—Senator, we would need to take that on notice, if you would like expenditure figures to the end of September, for example. Is that the sort of figure?

Answer:

The status of each of the programs under the Pilot of Drought Reform Measures in Western Australia:

Measure	Status
Farm Planning - up to \$7500 for farm businesses to undertake training to develop or update a strategic business plan. The Department of Agriculture and Food Western Australian (DAFWA) is funding and delivering this program.	(to 29 October 2010) <ul style="list-style-type: none">• Expenditure of \$335,000.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 03 (continued)

<p>Building Farm Businesses - grants of up to \$60 000 for eligible activities in a strategic farm plan completed the Farm Planning program. Jointly funded by DAFF and DAFWA.</p>	<p>(to 29 October 2010)</p> <ul style="list-style-type: none"> • No funds granted.
<p>Farm Family Support - income support for farmers facing financial hardship, allowing them to meet basic household expenses. Uncapped funding for the program. Delivered by Centrelink.</p>	<p>(to 29 October 2010)</p> <ul style="list-style-type: none"> • \$0.1 million in payments to farmers have been made. • \$2 million is committed for Centrelink and DAFF delivery costs. Monthly expenditure figures not available.
<p>Farm Social Support</p> <p><i>Rural Support Initiative</i> - Centrelink professionals delivering improved outreach and social support to rural communities. Including funding for the Australian Government mobile office.</p> <p><i>Rural and Regional Family Support Service</i> - Free professional help to families who are experiencing relationship difficulties.</p> <p><i>Online Counselling for Rural Young Australians Initiative</i></p>	<p>(to 29 October 2010)</p> <ul style="list-style-type: none"> • \$3.3 million is committed for delivery costs. Monthly expenditure figures not available.
<p>Farm Exit Support - grants of up to \$170 000 for farmers who decide to sell their farm, including for retraining and relocation expenses. Delivered by Centrelink.</p>	<p>(to 14 October 2010)</p> <ul style="list-style-type: none"> • No exit grants paid.
<p>Beyond Farming - Beyond Farming puts current farmers in touch with former farmers to talk about opportunities outside of farming.</p>	<p>(to 15 October 2010)</p> <ul style="list-style-type: none"> • \$0.1 million committed.
<p>Stronger Rural Communities - grants of up to \$300 000 to local government authorities and community organisations. Delivered by DAFF.</p>	<p>(to 29 October 2010)</p> <ul style="list-style-type: none"> • No payments have been made.
<p>Communications Call centre, information sessions, advertising and communications materials</p>	<p>(to 30 October 2010)</p> <ul style="list-style-type: none"> • \$0.6 million has been committed.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 04

Division/Agency: Climate Change Division

Topic: The pilot of drought reform measures in Western Australia - Stronger Rural Communities grants

Proof Hansard Page: 27-28 (20/10/2010)

Senator Nash asked:

Senator NASH—I want to clarify something. I apologise if it has already been asked. What is the time period from the tick-off on the application to when the project has to be completed?

Mr Noble—The application for which element of the pilot are we talking about? Are we talking about the Building Farm Businesses grants?

Senator NASH—Yes. Those ones, yes.

Mr Noble—The activities that a farm business may apply for can occur over a period of four years. Once the application is received, the first payment will be paid this financial year. That is a prepayment. Payments in subsequent financial years are paid on a reimbursement basis.

Senator NASH—Correct me if I am wrong, but is it the Stronger Rural Communities grants?

Mr Noble—Yes.

Senator NASH—Are they the ones that are due to be completed by the middle of next year?

Mr Noble—Yes. The activities that are funded through that program need to be completed before the end of June 2011.

Senator NASH—So at what stage are those projects? Have they all been ticked off and are they underway?

Mr Noble—The applications for that program closed on 15 September, and the National Rural Advisory Council is meeting today to assess those applications. They will then recommend the projects to be funded to the minister. The minister will then make a decision about which projects to fund in that program.

Senator NASH—Is that a fairly short time period, though, to have to have them completed by the end of June? What sort of projects are going to be in this? It seems like a pretty short time if the minister is only looking at them at the moment and it all has to be completed by 30 June next year. What sort of projects are going to be able to be completed in that short time frame?

Mr Noble—I will be able to provide you with advice on the detail of the projects.

Mr Mortimer—The projects tend to envisage expenditure on I suppose what you would call minor capital works—to buildings, fitting out of buildings and renovating buildings for different purposes, as well as expenditure on staff et cetera. So prima facie there is a reasonable expectation that the funding could be spent.

Senator NASH—If it turns out that there is a bit of a time lag, is there any capacity to push that date out, or are you going to stick hard and fast to that date?

Mr Mortimer—Well, we will come to that if the issue arises. At this stage, it is too early to really come to that. But we will just keep a watch on it as it is rolled out.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 04 (continued)

Senator NASH—I am just a little mindful that things tend to shut down over December and January.

Mr Mortimer—I understand that. Certainly the schedule has the minister announcing the decision well before Christmas.

Senator NASH—And when they are approved, would you provide for the committee a list of those projects?

Mr Mortimer—Yes. Absolutely.

Answer:

The Stronger Rural Communities grants that were approved are:

- Shire of Perenjori. Grant funding of \$227,950 (GST exclusive) to renovate the Perenjori Sports Club to create additional opportunities for community activities.
- Beacon Progress Association. Grant funding of \$206,914 (GST exclusive) to create a purpose-built community shed.
- Shire of Dowerin. Grant funding of \$150,000 (GST exclusive) to contribute to the relocation of the community's four established local sporting clubs (football, tennis, bowls and cricket) into one central location.
- Shire of Narembeen. Grant funding of \$96,000 (GST exclusive) to upgrade the Narembeen Community Shed.
- Shire of Mukinbudin. Grant funding of \$82,005 (GST exclusive) to enhance the Mukinbudin Sporting Complex to provide a central community function room for the entire community to use.
- Lake Grace Development Association. Grant funding of \$72,040 (GST exclusive) to hold the Living Communities program in Lake Grace.
- Canna Progress Association. Grant funding of \$50,000 (GST exclusive) is to rebuild the Canna Hall kitchen and upgrade the hall facilities.
- Lake Varley Branch of the Country Women's Association of Western Australia. Grant funding of \$11,579 (GST exclusive) to enhance a community gathering place in Varley Hall by purchasing equipment and furniture.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 05

Division/Agency: Climate Change Division

Topic: Gulf Region EC declared area assistance application rejections

Proof Hansard Page: 29 (20/10/2010)

Senator Macdonald asked:

Senator IAN MACDONALD—There is rather unusual—I think first of its kind—exceptional circumstances funding for floods in the gulf country of north-west Queensland. Could someone just give me a quick update on where that is at?

Mr Mortimer—The declaration runs to June of next year and it will be reviewed by NRAC in the run-up to expire in the normal fashion.

Senator IAN MACDONALD—Can you indicate to me how many land owners have taken advantage of the declaration and what in financial terms has been made available in whatever form?

Mr McDonald—There are currently 23 farm families in receipt of the income support payment and there are a further 10 farm businesses that have had their applications approved for the interest rate subsidy.

Senator IAN MACDONALD—Are any of those 10 part of the 23, or are they the same people?

Mr McDonald—I could not say here. I can take that on notice.

Answer:

In the Gulf Region Exceptional Circumstances (EC) declared area, from 10 February 2010 to 15 October 2010, Centrelink granted 15 recipients EC income support and has provided about \$175 790 in assistance. Currently 13 recipients are still receiving support as at 15 October 2010.

For the same period of 10 February to 15 October 2010, the state administering authority has approved five recipients for EC interest rate subsidies totalling about \$357 000.

The department cannot determine whether income recipients also receive interest rate subsidies or vice versa as the recipient's personal information is not reported by the administering agencies; therefore the data is not able to be cross-matched or aggregated at the level of individual recipients. The department has also undertaken action to formally correct the Hansard record.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 06

Division/Agency: Climate Change Division

Topic: Gulf Region EC declared area assistance application rejections

Proof Hansard Page: 30 (20/10/2010)

Senator Macdonald asked:

Senator IAN MACDONALD—Have there been any complaints that the boundaries are too constrained or too wide?

Mr Mortimer—Not since the EC was declared, I have to say. I am pretty confident we have had no formal complaints. Certainly I am not aware of any grumbling about the boundaries.

Senator IAN MACDONALD—Have there been applications that have not been successful?

Mr Mortimer—For people within the region?

Senator IAN MACDONALD—Yes.

Mr McDonald—I would have to take that on notice.

Mr Mortimer—We would have to check with the state authorities in terms of interest rate subsidies and Centrelink in terms of the relief payment applications. Typically, there is a rejection rate in terms of not meeting the eligibility criteria, but we can take that on notice, if you like, and get you some details.

Answer:

In the Gulf Region Exceptional Circumstances (EC) declared area, from 10 February 2010 to 15 October 2010, two applications for the EC Relief Payment and three applications for EC interest rate subsidies have not been successful.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 07

Division/Agency: Climate Change / Department of Agriculture, Fisheries and Forestry

Topic: High Conservation Value Forests

Proof Hansard Page: 41 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK— Can you give us a list of any meetings that you have had with industry or NGOs since the election—perhaps on notice; I understand you will not have that available straightaway—about these negotiations?

Senator Ludwig—We will see what we can find. So I will take the question on notice and we will see what information we can provide.

Senator COLBECK—Have you had any specific meetings with members of the Greens in relation to these negotiations?

Senator Ludwig—I will take that on notice and get back to you.

Answer:

Please refer to CC 23.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 08

Division/Agency: Climate Change Division

Topic: High Conservation Value Forests

Proof Hansard Page: 41 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—Well, does the government and the department have a view on the term ‘high conservation value forest’? How is that to be applied to the Australian forestry sector?

Dr O’Connell—Are you asking the question in the context of the statement of principles?

Senator COLBECK—No. I am asking it in its own context.

Dr O’Connell—I just want to be clear, then, that the context you are asking has no relevance to the statement of principles.

Senator COLBECK—It will have relevance because it is a term that is being used.

Dr O’Connell—Then I would need to, I think, very sensibly refer to the term as it is understood.

Senator COLBECK—Let us make it easy and let us take the question on notice.

Answer:

The definition of ‘high conservation value’ for the purposes of implementing the statement of principles is a matter for the parties.

The department has not been provided with a definition of the term ‘high conservation value’ in relation to the statement. The department has not developed a definition of the term.

The term is commonly used by the Forest Stewardship Council to describe forests that meet criteria defined by the council.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 09

Division/Agency: Climate Change Division

Topic: High Conservation Value Forests

Proof Hansard Page: 42 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—Has the government made a submission to their calls for submissions on the definition of ‘high conservation value forest’?

Mr Talbot—I will take that on notice, but I think the answer is no.

Answer:

No. The department has not made a submission on the definition of the term ‘high conservation value forest’.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 10

Division/Agency: Climate Change Division.

Topic: Release of the Forestry Industry Database.

Proof Hansard Page: 42 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—I am not going to get any more out of the government, I do not think, on that. I want to ask some questions about the forest industry database. At last estimates, the department said the final version would be released in July. Can you advise why this has not occurred?

Mr Talbot—The forest industry database is running late. We did some final testing probably about three weeks ago. We have recommended some changes, which are being done at the moment. We expect the database will be finalised at the end of the month and then it would, through the minister, go to the next Forest and Wood Products Council.

Senator COLBECK—So when is the next Forest and Wood Products Council meeting?

Mr Talbot—That has still got to be determined, Senator.

Senator COLBECK—So will it be released before or after that meeting?

Mr Talbot—I will have to come back to you on that one.

Senator COLBECK—Obviously, it is a decision for the minister. So it potentially will not occur until after the next unknown dated meeting?

Mr Talbot—You would have to put a recommendation to the minister. The practice in the past has been that these things have gone through the Forest and Wood Products Council and they have been assessed by subcommittees of that council. So the practice to date has been that there would be tick-off at those councils.

Senator COLBECK—So you actually cannot answer the question, can you? All right. I will leave it at that. If you have any further advice and can give me that on notice, I would appreciate that....

Answer:

In May and June 2010 the consultant for the forest industry database undertook stakeholder workshops, individual meetings and teleconferences, as well as discussions with peak industry associations, and education and training providers to update data on skills and training requirements for the forest sector.

A draft version of the papers and database was delivered to the department in July 2010. The project advisory committee and the department reviewed the papers and the database and offered further feedback and recommendations.

To ensure all feedback from these sessions was incorporated into the final product the project delivery was extended until 30 October 2010.

The final papers and database were delivered to the department on 29 October 2010.

The database will be discussed at the next Forest and Wood Products Council meeting. The date of this meeting is 6 December 2010.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 11

Division/Agency: Climate Change Division

Topic: Anti illegal logging measures taken overseas

Proof Hansard Page: 43 (20/10/2010)

Senator COLBECK asked:

Senator COLBECK—Have you had a look at any of the other schemes that are currently operating in, say, the US and the EU? In particular, what identification and certification measures are being used to verify that timber is legally sourced?

Mr Talbot—We have had a look at both the EU measures and the US measures. I guess the EU has used a due diligence system. The States are putting legislation in place. We have certainly had a look at that. We have also certainly had a look at the US and how its policy is applied.

Senator COLBECK—In those particular schemes, who pays the costs? Are they passed on to the importers or are they paid for by government?

Mr Talbot—I will take that question on notice. My understanding is that in the US case the practices they have had to introduce are certainly not government costs. They are levied along the supply chain, particularly at the importers. In the EU case, I think it is probably something similar. But I said I will take it on notice.

Answer:

In both the US and EU, the cost of undertaking due-diligence requirements is anticipated to be borne by individual importers.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 12

Division/Agency: Climate Change Division

Topic: Products affected by proposed anti illegal logging measures

Proof Hansard Page: 43-44 (20/10/2010)

Senator COLBECK—No. I just want to ask about the products that are going to be captured under the proposal. My understanding is that the largest proportion of timber coming in that might be illegally logged comes in manufacturing products like particleboards and things of that nature, which are much harder to track. Can you give me a list of the products that are going to be affected by the measure?

Mr Talbot—Final implementation decisions have to be made by government. But the government did, in I think in the 2007 election commitment, talk about—I will have to take it on notice and give you the exact words—wood and wood products and paper products too. In our draft RIS, when we were looking at this issue, we had a look at possible categories for regulation. We had category 1, which was solid timber and wood products and some paper products. Then we had category 2, which was partially processed timber and woods products. Then we had complex products, such as highly processed composite timber and wood products from multiple sources. Unfortunately, my copy of the draft RIS does not have page numbers. Then we also gave examples of each of those products underneath. There is still the implementation phase to go through, where we look again at this and what might be captured.

Senator COLBECK—Yes, if you can give us that. So there is no finite list as such?

Dr O'Connell—There is a definitive list. But what we can certainly do is provide you with either the references to the draft RIS that went out or a copy of that.

Answer:

The report, *A final report to inform a Regulation Impact Statement for the proposed new policy on illegally logged timber* can be found on the DAFF website at <http://www.daff.gov.au/forestry/international/illegal-logging>

A range of product categories were considered in the development of the Regulation Impact Statement (RIS). The timber products examined by the RIS fell into three groups:

- Category I - Solid timber and wood products and some paper products (12 per cent of Australia's timber imports),
- Category II - Partially processed/processed timber and wood products plus category I products (39 per cent of Australia's timber imports), and
- Category III - Highly processed/composite timber and wood products from multiple sources plus category II products (70 per cent of Australia's timber imports).

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 12 (continued)

Table 3.1 on page 37 shows the three product categories considered in the report's analysis.

<i>Category I</i>	<i>Category II</i>	<i>Category III</i>
Solid timber and wood products	Partially processed/processed timber and wood products	Complex products – e.g. highly processed/composite timber and wood products/from multiple sources
Wood in rough (4403) Sawn wood (4407) Plywood (4412) Newsprint (4801) Printing & writing (4802-03; 4808-11; 4823)	Category I plus Particleboard (4410) Fibreboard (4411) Mechanical pulp (4701) Semi-chemical (4705) Chemical pulp (4702-07)	Category II plus Household and sanitary (4803, 4818) Packaging & industrial (4804-08, 4810-11, 4823) Paper manufactures (4811-23) furniture (9403) Veneer (4408) Continuously shaped wood (4409)

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 13

Division/Agency: Climate Change Division

Topic: Timber Imports and Illegal logging report

Proof Hansard Page: 44 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—There was a report released in the last three or four months, I suppose, about a reduction in the amount of illegally logged timber coming into the country. Can you give us a sense of what scale that is at now?

Mr Talbot—I am trying to remember that report myself. I will have to take that on notice.

Senator COLBECK—Do you have a comprehensive list of businesses that import timber products into Australia?

Mr Talbot—I will take that one on notice.

Senator COLBECK—If you do, could you provide it for us?

Mr Talbot—Yes.

Senator COLBECK—The next one will have to be on notice. It is data on the level of employment across those businesses. I suppose you would be able to get the total financial value of timber, or I could probably find that anyway. I also want a breakdown country-by-country of quality, year and type of timber imported into the country over the last four years.

Answer:

1. In July 2010 Chatham House published a report titled *Illegal logging and related trade – Indicators of the global response*. It assesses five producer countries (Brazil, Cameroon, Ghana, Indonesia and Malaysia) two processing countries (China and Vietnam) and five consumer countries (Japan, United States of America, United Kingdom, France and the Netherlands). It does not analyse any data with respect to Australia.

The report found that while illegal logging remains a serious problem in the countries studied, it is estimated to have reduced somewhat in the last decade. The report estimates that imports of illegally sourced wood products by the consumer and processing countries have fallen by 30 per cent.

2. The department does not maintain a register of businesses that import timber and wood products. The Australian Bureau of Statistics classifies businesses according to the Australian and New Zealand Standard Industry Classification (ANZSIC), based on their predominant activity. The ANZSIC system does not differentiate between those businesses that use imported products and those that use only Australian grown forest products.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 13 (continued)

3. The data in the tables on the following pages are derived from the *Australian forest and wood products statistics*, with data updated for 2009-10 from the Australian Bureau of Statistics.

Table 1 shows the total volume and value of imports by product for the last four years, and Table 2 shows the same data for a select range of countries, that together consisted of over 60 per cent of Australia's wood and wood product imports in 2009-10.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

1. Imports by product 2006-07 to 2009-10

	Unit	2006-07	2007-08	2008-09	2009-10
Quantity					
Roundwood	'000 m ³	5.0	0.7	1.4	0.9
Sawnwood					
Coniferous roughsawn	'000 m ³	289.2	340.2	255.6	292.6
Coniferous dressed	'000 m ³	193.9	321.2	278.8	367.6
Broadleaved roughsawn	'000 m ³	67.4	61.5	52.2	44.1
Broadleaved dressed	'000 m ³	60.1	60.9	41.7	44.1
Total	'000 m ³	610.7	783.9	628.4	748.4
Wood based panels					
Veneers	'000 m ³	29.0	31.5	21.4	15.4
Plywood	'000 m ³	244.0	236.6	199.1	227.6
Particleboard	'000 m ³	77.5	99.6	68.7	64.2
Hardboard	'000 m ³	38.4	32.1	23.5	33.0
Medium density fibreboard	'000 m ³	26.5	68.8	88.3	69.9
Softboard and other fibreboard	'000 m ³	14.2	14.3	10.6	6.2
Total	'000 m ³	429.5	482.8	411.7	416.5
Paper and paperboard					
Newsprint	kt	262.5	227.6	197.6	190.6
Printing and writing	kt	1 173.5	1 235.3	1 122.1	1 167.4
Household and sanitary	kt	101.8	81.1	82.0	101.1
Packaging and industrial	kt	258.4	303.1	254.0	285.3
Total	kt	1 796.3	1 847.1	1 655.7	1 744.4
Recovered paper	kt	9.6	10.2	3.0	3.4
Pulp	kt	359.0	388.7	344.7	265.0
Woodchips	kt	0.8	0.7	0.7	0.7
Value					
Roundwood	\$m	0.6	0.8	1.1	0.4
Sawnwood					
Coniferous roughsawn	\$m	148.1	186.0	133.9	140.3
Coniferous dressed	\$m	143.3	191.4	167.5	199.9
Broadleaved roughsawn	\$m	66.9	58.8	50.7	40.9
Broadleaved dressed	\$m	59.9	56.0	52.7	48.1
Total	\$m	418.2	492.3	404.8	429.2
Miscellaneous forest products	\$m	567.1	583.2	650.5	602.7
Wood based panels					
Veneers	\$m	31.5	33.4	28.3	21.7
Plywood	\$m	167.7	152.7	145.4	137.6
Particleboard	\$m	26.2	34.4	26.8	20.3
Hardboard	\$m	29.9	28.1	25.7	30.4
Medium density fibreboard	\$m	13.8	32.7	41.0	36.9
Softboard and other fibreboard	\$m	7.2	2.9	4.0	2.9
Total	\$m	276.3	284.2	271.2	249.9
Paper and paperboard					
Newsprint	\$m	224.1	184.6	173.4	158.0
Printing and writing	\$m	1 453.2	1 456.1	1 467.8	1 354.9
Household and sanitary	\$m	177.1	137.3	154.2	163.5
Packaging and industrial	\$m	416.1	470.4	481.0	498.8
Total	\$m	2 270.5	2 248.4	2 276.4	2 175.2
Paper manufactures a	\$m	469.5	513.3	590.2	562.8
Recovered paper	\$m	2.3	2.4	0.8	0.6
Pulp	\$m	265.2	285.2	262.6	177.8
Woodchips	\$m	1.5	1.8	1.7	1.2
Total	\$m	4 271.2	4 411.5	4 459.2	4 199.7

a Includes other paper articles that have had some further processing.

Sources: B.L. Steenson, Chartered Accountant, Fingal Head; Engineered Wood Products Association of Australasia; ABS, International Trade, Australia, cat. no. 5465.0, Canberra.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 14

Division/Agency: Climate Change Division

Topic: National Timber Council Taskforce, MIS and transfer from native forests to plantations

Proof Hansard Page: 44 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—Can you give us a list of the interactions—this is on notice again—with the National Timber Council Taskforce, please? Do we provide any financial assistance? We do not?

Mr Talbot—I was just going to clarify. The National Timber Council Taskforce I am not familiar with.

Mr Mortimer—It is not known to us, it seems.

Senator COLBECK—Okay. I might have the name incorrect, but I will clarify that and I will put those questions on notice. ASIC recently put out a draft paper for modification of MIS. What discussions or input has the department had with ASIC on that paper?

Mr Mortimer—I will have to take that on notice. I do not think we have responded to it, but I will take it on notice.

Senator COLBECK—Do you have any intentions of making a submission, if you have not been consulted?

Mr Mortimer—I will take it on notice.

Senator COLBECK—You have a proposal in Tasmania to transfer from native to plantation. That has obvious implications. There are real question marks about the future demand for timber products in Australia. I know that the industry is keen to get some data on that. Is the department doing any work on future timber products needs?

Mr Talbot—I would have to take that on notice because ABARE may well be doing some work on that.

Answer:

The department provided a one-off payment of \$10 160 to the National Timber Councils Taskforce in July 2008.

The department had discussions with Australian Securities and Investment Commission (ASIC) regarding this paper, with particular regard to facts about the operation of managed investment schemes.

The department is not currently undertaking any work that forecasts future timber demand.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 15

Division/Agency: Climate Change Division

Topic: Delivery of the forestry industry database

Proof Hansard Page: 45 (20/10/2010)

Senator Colbeck asked:

Senator COLBECK—I just have one more question. I want to go back to the database for a second. Are the delays in the database delivery due to DAFF or the consultant that is being employed by DAFF? I have not named the consultant deliberately.

Mr Talbot—I think I will have to take that on notice and have a look at the time periods.

Answer:

The consultant was commissioned to develop the Industry Database with an original delivery date of September 2010, however with significant progress being made in the early stages of the project the consultant requested the final delivery be brought forward to July 2010.

In May and June 2010 the consultant completed forest industry stakeholder workshops, individual meetings and teleconferences with approximately 50 organisations from across industry sectors, peak industry associations, and education and training providers. To ensure all feedback from these sessions was incorporated into the final product the project delivery was extended.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 16

Division/Agency: Climate Change Division

Topic: Carbon Farming Initiative

Proof Hansard Page: 46 (24/05/2010)

Senator Heffernan asked:

Senator HEFFERNAN—Hang on. Do not go away. Given the future of forestry and the building of a logic by the butcher and not the block of carbon crediting and trees, what are we going to do about the fact that the bulk of Queensland and the Northern Territory and the Indigenous communities do not have the capacity on their land to get a carbon credit because the government owns the title?

Dr O’Connell—I do not think that is a forest issue.

Senator HEFFERNAN—It most definitely is a forest issue. I am talking about forests.

Dr O’Connell—You may be looking more at a climate change issue.

Senator HEFFERNAN—Well, I am asking these fellas because this is part of their bailiwick.

CHAIR—We have established that the parliamentary secretary thinks it is in the wrong area, so we will move on to another question.

Senator HEFFERNAN—No. It is a forest question.

Senator COLBECK—Perhaps the department can take it on notice and come back to us.

Senator Ludwig—We will take it on notice and provide a response to the extent that we can answer it. Alternatively, the committee might want to refer it to—

CHAIR—Order! The minister is answering. There is harping on the left and the right. I cannot hear the minister.

Senator Ludwig—To the extent that DAFF can provide a response within its portfolio responsibilities to the question, it will take that part of the question on notice. To the remainder that should be directed to the Department of Climate Change, I understand the committee usually has a process to be able to refer that question there.

Answer:

The crediting rules for the Carbon Farming Initiative are yet to be determined. The Department of Climate Change and Energy Efficiency (DCCEE) and the Department of Agriculture, Fisheries and Forestry (DAFF) are aware of potential issues with the issuance of carbon credits on land titles. DAFF will be working with DCCEE on these issues.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 17

Division/Agency: Climate Change Division

Topic: Regional Food Producers' Innovation and Productivity Program

Proof Hansard Page: 130 (20/10/10)

Senator Colbeck asked:

Senator COLBECK—You are still only running at almost 50 per cent. But let's go through the reallocation, to make us all feel better.

Mr Grant—In 2008-09, \$3 million was allocated to the Promoting Australian Produce (Major Events) program, which was a new program committed to by the government in that year. \$3 million was unspent in 2008-09 and returned to the consolidated revenue.

Senator COLBECK—That is hardly a reallocation, but please continue anyway.

Mr Grant—In 2009-10, there was \$1.39 million allocated to the Promoting Australian Produce (Major Events) program and \$830,000 reallocated to the Climate Change Adjustment Program.

Senator COLBECK—What was that spent on?

Mr Grant—I do not have that information. I will have to take that on notice.

Answer:

In the 2009-2010 financial year, \$0.831 million was reallocated from the Regional Food Producers' Innovation and Productivity Program to the Rural Financial Counselling Service program. The reallocated funding formed part of the \$2.431 million provided by Minister Burke in April 2010 to the 14 contracted Rural Financial Counselling Service providers across Australia to improve succession planning awareness for clients in the 2010-2011 financial year.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 18

Division/Agency: Climate Change Division

Topic: Pilot of Drought Reform Measures in Western Australia

Proof Hansard Page: Written

Senator Colbeck asked:

1. DAFF are yet to respond to detailed questions about funding for the trial – we actually asked for this to be supplied while Budget Estimates were occurring. Can you advise why Climate Change question on notice no.28 has not been answered?
2. Can DAFF please advise on the status of the rollout of each of the aspect of the drought program trial in WA?
3. Can you please provide a schedule for the future roll-out of each program?
4. What funding has so far been expended? Can you please provide a breakdown per program?
5. Considering the very dry or drought like conditions currently being faced in many agricultural parts of WA, have there been any requests from farmers organisations or the WA Government for additional drought support (over and above the trial)? If so, from who, when and for what?
6. Have there been any requests to re-open EC assistance for WA farmers? From who?
7. Have any farmers received the \$60k grants yet? If not, why not?
8. Should the program be rolled out nationally, what is the time period a farmer must wait before applying for a new grant? Or will they only be able to receive the grant once?
9. How many of the Stronger Rural Communities grants have been distributed? If not, why not? If they have, to who?

Answer:

1. This response was submitted to the committee on 9 November 2010.
2. The pilot of drought reform measures in Western Australia commenced on 1 July 2010 and will cease on 30 June 2011.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 18 (continued)

The status of each of the programs under the Pilot of Drought Reform Measures in Western Australia:

Measure	Status
Farm Planning - up to \$7500 for farm businesses to undertake training to develop or update a strategic business plan. The Department of Agriculture and Food Western Australian (DAFWA) is funding and delivering this program.	(to 19 November 2010) <ul style="list-style-type: none">• 402 farm business applications approved.• 13 training groups underway, with approximately 25 participants per group.• 14 training groups completed representing 168 farm businesses.• Expenditure of \$335,000.
Building Farm Businesses - grants of up to \$60 000 for eligible activities in a strategic farm plan completed the Farm Planning program. Jointly funded by DAFF and DAFWA.	(to 19 November 2010) <ul style="list-style-type: none">• 42 applications received.• No funds granted.
Farm Family Support - income support for farmers facing financial hardship, allowing them to meet basic household expenses. Uncapped funding for the program. Delivered by Centrelink.	(to 12 October 2010) <ul style="list-style-type: none">• 45 claims granted.• \$0.1 million in payments to farmers have been made.• \$2 million is committed for Centrelink and DAFF delivery costs for the duration of the pilot

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 18 (continued)

<p>Farm Social Support</p>	<p>The budget of \$3.3 million for the following Farm Social Support initiatives has been committed for the duration of the pilot:</p>
<p><i>Rural Support Initiative</i> - Centrelink professionals delivering improved outreach and social support to rural communities. Rural Services Officers can assist with access to a range of payments and services and refer farmers and their families to other government and non-government agencies for further assistance. Social workers provide short-term personal support and counselling in difficult times.</p>	<p>(to 31 October 2010)</p> <ul style="list-style-type: none"> • Rural Services Officers have made 1878 customer contacts, with 169 farm or home visits. • Rural Social Workers have made 283 customer contacts, with 60 farm or home visits. • Centrelink’s mobile office visited 26 communities and serviced over 1400 rural customers in the pilot region.
<p><i>Rural and Regional Family Support Service</i> - Free professional help to families who are experiencing relationship difficulties.</p>	<p>(to 31 October 2010)</p> <ul style="list-style-type: none"> • 692 customers have been seen.
<p><i>Online Counselling for Rural Young Australians Initiative – e-Headspace</i> Confidential and free professional online counselling and information for young people in rural areas. Further information: www.eheadspace.org.au.</p>	<p>(to 31 October 2010)</p> <ul style="list-style-type: none"> • 10 registered clients from the pilot region. 81 people have actively used this service. Email counselling provided to 37 clients and online chat to 57 clients.
<p>Farm Exit Support - grants of up to \$170 000 for farmers who decide to sell their farm, including for retraining and relocation expenses. Delivered by Centrelink.</p>	<p>(to 15 November 2010)</p> <ul style="list-style-type: none"> • 4 applications received. • No exit grants paid.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 18 (continued)

Beyond Farming - Beyond Farming puts current farmers in touch with former farmers to talk about opportunities outside of farming. Delivered by the WA Council of Social Service on behalf of DAFF. Further information: beyondfarming.wacoss.org.au .	(to 15 November 2010) <ul style="list-style-type: none">• 20 former farmers have been appointed as mentors.• 7 current farmers matched with mentors.• \$0.1 million committed for the delivery of the Beyond Farming measure.
Stronger Rural Communities - grants of up to \$300 000 to local government authorities and community organisations to fund projects that build the resilience of rural communities to help them to manage hardship resulting from an agricultural downturn. Delivered by DAFF.	(to 15 November 2010) <ul style="list-style-type: none">• 8 grants have been awarded across 7 local government areas totalling \$896 488 in funding.
Communications	(to 30 October 2010) <ul style="list-style-type: none">• \$0.6 million has been committed for the call centre, information sessions, advertising and communications materials.

3. The pilot will be in place from 1 July 2010 to 30 June 2011. Payments made under the Building Farm Businesses program will continue until 30 June 2014. The pilot will be reviewed in 2011 to inform ongoing work on national drought policy reform.
4. See response to question 2 above.
5. During his visit to Western Australia from 4 to 7 October 2010, Senator Ludwig heard representations from farmers and farm groups, including the Western Australia Farmers Federation and the Pastoralists and Graziers Association. Issues raised included the current seasonal conditions in Western Australia and the options for further Commonwealth and Western Australian Government assistance including social support services and multi-peril crop insurance.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 18 (continued)

The Hon. Terry Redman MLA, Western Australian Minister for Agriculture and Food wrote to Senator Ludwig on 14 October 2010 about the pilot of drought reform measures, the current conditions in Western Australia, the Farm Management Deposits program and the Rural Financial Counsellors.

6. There have been no applications in 2010 for an Exceptional Circumstances declaration in Western Australia.
7. As planned farm businesses are undertaking the pre-requisite Farm Planning training and as of 19 November 2010 42 applications for Building Farm Businesses grants have been received. DAFWA is assessing applications and no farm businesses have received a Building Farm Businesses grant to date.
8. The pilot ceases on 30 June 2011 and will be reviewed in 2011 to inform ongoing work on national drought policy reform. The details of drought policy reform are matters for future government consideration.

There is no defined time period that farm businesses must wait before applying for a Building Farm Businesses grant. However, to be eligible Farm Businesses must have completed the Farm Planning measure.

9. See response to CC 04.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 19

Division/Agency: Climate Change Division

Topic: Exceptional Circumstances

Proof Hansard Page: Written

Senator Colbeck asked:

1. The Department failed to answer detailed questions on notice on Exceptional Circumstances – Climate Change No.29
Can the Department please provide a list of all regions currently under Exceptional Circumstances (EC) and the expiry date for each of these regions?
2. Which EC regions is the Department and/or the National Rural Advisory Council (NRAC) currently reviewing to determine whether a region's EC status is renewed?
3. What has NRAC's touring schedule been since 1 July 2010?
4. What is NRAC's touring schedule up to the end of 2010-2011?
5. How many completed NRAC EC reports are with the Department for advice to the Minister or are already in the Minister's office for a decision?
6. Can you please provide for the 2009-2010 and 2010-2011 periods a breakdown, by EC area application, of the time taken from when the relevant State Government submits the application to when a decision is made by the Minister. This list should include the Upper North Cropping District, Far West Eyre Peninsula and Eastern Eyre Peninsula, Bundarra (incl. buffer zones) regions among others within the two-year period. Can you please include the following information:
 - when DAFF provided initial advice to the Minister on the application
 - when NRAC was asked to conduct a tour
 - when the tour was undertaken
 - when NRAC provided its advice to DAFF
 - when DAFF provided advice to the Minister on NRAC's recommendation
 - when the Minister advised of his final decision.
7. What has the Department budgeted for EC support to farmers and small businesses in 2010-11? Can you please provide a breakdown by program and EC region?
8. What was the underspend of EC funds in 2009-2010? What happened to these funds?
9. What was the total EC budgeted funds in the May Budget over each of the forward estimates years? What is the current level of budgeted funds for each of these years? Please provide a breakdown by year and EC region (as well as any overarching costs).

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Answer:

1.

EC Areas Expiring 31 March 2011	EC Areas Expiring 15 December 2010
New South Wales	Queensland
Braidwood	South West Queensland Revised
Condobolin	Northern Darling Downs Revised
Condobolin – Narrandera	Central Darling Downs Revised
Dubbo Revised	
Forbes	EC Areas Expiring 30 April 2011
Goulburn – Yass	New South Wales
Gundagai	Cooma – Bombala – ACT
Hay	Bega Valley
Majority Western Division	Victoria
Molong Revised	Central and East Gippsland Revised
Nyngan Revised	
Riverina	EC Areas Expiring 15 June 2011
South West Slopes and Plains	Queensland
Young	Gulf
South Australia	South Australia
Murray Mallee	North West Rangelands
River Murray and Lower Lakes Corridor	Central North East including Annex
Victoria	
Central Victoria North Revised	EC Areas Expiring 30 April 2012
Central Victoria South Revised	New South Wales
Mallee – Northern Wimmera	Bundarra
North East Victoria	Eurobodalla
Northern Victoria Revised	

2. The EC areas currently being reviewed by NRAC are those due to expire in March 2011.
3. NRAC's touring schedule since 1 July to 28 October 2010 is detailed in the table below.

Reviews of existing EC areas	New applications	Tour date
Northern Darling Downs Revised (QLD)		8 – 9 September 2010
Central Darling Downs Revised (QLD)		8 – 9 September 2010
South West Queensland Revised (QLD)		28 – 30 September 2010
	Delungra (NSW)	5 – 6 October 2010
Murray – Mallee (SA)		25 – 26 October 2010
River Murray and Lower Lakes Corridor (SA)		26 – 28 October 2010
Majority Western Division (NSW)		25 – 27 October 2010
Hay (NSW)		28 October 2010

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 19 (continued)

4. NRAC's touring schedule up to the end of 2010-11 is as follows. Note that NRAC has already inspected four EC areas due to expire on 31 March 2011.

State	EC Area	On-ground Inspection Date
Vic	o Central Victoria South Revised	3 – 4 November 2010
NSW	o Nyngan Revised o Condobolin o Condobolin - Narrandera	9 – 11 November 2010
Vic	o North East Victoria	15 – 17 November 2010 *
NSW	o Riverina	23 – 25 November 2010 *
NSW	o Dubbo Revised o Molong Revised o Forbes	22 – 24 November 2010
Vic	o Northern Victoria Revised	30 Nov – 1 December 2010 *
NSW	o Goulburn – Yass o Braidwood o Young	6 – 9 December 2010 *
NSW	o Gundagai o South West Slopes and Plains	7 – 9 December 2010 *
Vic	o Mallee – Northern Wimmera Revised o Central Victoria North Revised	13 – 16 December 2010 *
NSW/ACT	o Cooma – Bombala – ACT o Bega Valley	Early February 2011 *
Vic	o Central and East Gippsland Revised	Early February 2011 *
SA	o North West Rangelands o Central North East (incl. annex)	Mid March 2011 *
Qld	o Gulf	April 2011 *

* subject to change depending on confirmation with relevant state agencies

5. As at 31 October 2010, there are no completed NRAC EC reports with the department for advice to the minister or with the minister's office.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 19 (continued)

6.

Area subject of EC application	Application submitted	DAFF's initial advice to Minister	Application referred to NRAC	NRAC inspection	NRAC's advice to DAFF	DAFF's advice to Minister	Minister announced decision
Gulf (first application)	28 Sept 2009	12 Oct 2009	30 Sept 2009	20-21 Oct 2009	13 Nov 2009	18 Nov 2009	N/A
Gulf (revised application)	26 Nov 2009	1 Dec 2009	3 Dec 2009	N/A	16 Dec 2009	17 Dec 2009	10 Feb 2010
Eurobodalla-part Shoalhaven (first application)	14 Oct 2009	30 Oct 2009	20 Oct 2009	10 Dec 2009	4 Feb 2010	5 Feb 2010	3 March 2010
Eurobodalla-part Shoalhaven (revised application)	1 March 2010	2 March 2010	3 March 2010	31 March-1 April 2010	25 May 2010	26 May 2010	29 June 2010
Bundarra (first application)	16 Dec 2009	17 Dec 2009	18 Dec 2009	20 Jan 2010	22 Feb 2010	26 Feb 2010	11 March 2010
Bundarra (revised application)	21 April 2010	22 April 2010	28 April 2010	N/A	25 May 2010	25 May 2010	29 June 2010
Dunedoo-Mudgee	22 Feb 2010	25 Feb 2010	25 Feb 2010	18-19 March 2010	7 May 2010	7 May 2010	19 May 2010
Eastern Eyre Peninsula (first application, later superseded)	7 May 2010	12 May 2010	17 May 2010	N/A	N/A	N/A	N/A
Eastern Eyre Peninsula (revised application)	13 July 2010	15 July 2010	18 July 2010	12 Aug 2010	17 Sept 2010	21 Sept 2010	1 Oct 2010
Far West Eyre Peninsula (first application, later superseded)	7 May 2010	12 May 2010	17 May 2010	N/A	N/A	N/A	N/A

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 19 (continued)

Far West Eyre Peninsula (revised application)	13 July 2010	15 July 2010	18 July 2010	11 Aug 2010	17 Sept 2010	21 Sept 2010	1 Oct 2010
Upper North Cropping District (first application, later superseded)	7 May 2010	12 May 2010	17 May 2010	N/A	N/A	N/A	N/A
Upper North Cropping District (revised application)	13 July 2010	15 July 2010	18 July 2010	9-11 Aug 2010	17 Sept 2010	21 Sept 2010	1 Oct 2010
Delungra	18 August 2010	18 August 2010	23 August 2010	5-6 Oct 2010	19 Nov 2010	19 Nov 2010	24 Nov 2010

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 19 (continued)

7. The following table reflects funding for the EC declarations that were announced prior to the 2010-11 budget. Funding for new EC declarations or EC area extensions post-budget are sought through the subsequent budgetary processes.

BREAKDOWN OF BUDGETED FUNDS FOR EC ASSISTANCE 2010-2011

EC AREA	FARMERS 2010-2011		SMALL BUSINESS 2010-2011	
	ECIRS	ECRP	ECIRS	ECRP
	\$m	\$m	\$m	\$m
QLD				
Gulf	0.137	0.097	0.017	0.014
NSW				
Braidwood	0.437	0.356	0.000	0.000
Condobolin	2.072	0.810	0.058	0.076
Condobolin-Narrandera	8.896	6.674	0.603	0.119
Dubbo Revised	5.817	1.102	0.526	0.140
Forbes	7.052	5.368	0.681	0.335
Goulburn-Yass	3.289	2.894	0.214	0.076
Gundagai	1.026	0.821	0.214	0.022
Hay	2.319	1.296	0.350	0.259
Majority Western Division	6.938	4.838	0.272	0.140
Molong Revised	3.250	0.745	0.272	0.022
Nyngan Revised	2.604	0.972	0.292	0.032
Riverina	16.956	11.297	1.538	1.361
South West Slopes & Plains	23.058	13.975	1.985	1.080
Young	4.638	2.743	0.272	0.140
Cooma-Bombala-ACT	1.844	1.226	0.043	0.000
SA				
Murray-Mallee	4.179	2.765	0.038	0.022
Murray River and Lower Lakes Corridor	8.489	5.173	0.190	0.400
VIC				
Central Victoria North Revised	3.833	5.983	0.106	0.302
Central Victoria South Revised	1.067	2.452	0.106	0.076
Mallee-Northern Wimmera Revised	16.901	17.431	0.446	1.004
North East Victoria	4.073	9.720	0.509	1.102
Northern Victoria Revised	18.753	20.595	0.424	1.296
Central and East Gippsland	3.530	5.894	0.117	0.274
Subtotal*	151.158	125.227	9.273	8.292
ECIRS Administration Costs*	5.026		0.317	

*Adding \$2.46 million for ECIRS and \$1.32 million for ECRP for the Bega EC declaration as provided in the 2009-10 Additional Estimates Statements, the total 2010-11 budget is \$168.23m for ECIRS and \$134.84m for ECRP.

8. There has been no underspend of funds for the EC programs in 2009-10.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 19 (continued)

9. The budgets for the EC programs are based on an estimate of the likely expenditure for the budget year, for EC areas that are declared at that point in time (See CC18 (7) above). These expenditure estimates are reviewed in consultation with the Department of Finance and Deregulation, with additional funding for assistance provided if program demand requires. There are no budgeted funds over the forward estimates years. Funds for EC declarations are allocated for each budget period and as new declarations are made. This has been the long standing practice under successive governments.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 20

Division/Agency: Climate Change Division

Topic: Climate Change Roundtables

Proof Hansard Page: Written

Senator Colbeck asked:

1. What role is the Climate Change section playing in the Government's roundtables and the PM's Climate Change Committee?
2. Did the Climate Change section provide advice to DPMC or the Department of Climate Change on who from Agriculture and related industries should be represented on the roundtables or the Committee?
3. Did DAFF provide advice on whether the forestry industry should be represented on these forums?

Answer:

1. The Climate Change Policy Section will be working jointly with the Department of Climate Change and Energy Efficiency on preparing advice relevant to the agriculture, fisheries and forestry portfolio for the government's roundtables and the Prime Minister's Multi-Party Climate Change Committee.
2. No.
3. No.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 21

Division/Agency: Climate Change Division

Topic: Forestry Industry database details

Hansard Page: Written

Senator Colbeck asked:

1. At last Estimates, DAFF said the final version of the database would be released in July. Can you advise on why this has not occurred?
2. When will the database now be finalised?
3. What was the total cost of this project?
4. What was the original cost of the consultant? Have there been any additions to the original contract cost?
5. What was the original timeframe for the engagement of the consultant (including date of providing final database)?

Answer:

1. In May and June 2010 the consultant completed forest industry stakeholder workshops, individual meetings and teleconferences across industry sectors, peak industry associations, and education and training providers. To ensure all feedback from these sessions was incorporated into the final product the project delivery was extended.
2. The database was delivered to the department on Friday 29 October 2010.
3. The total cost of the commitment was \$1 million. This was divided into two separate projects. A consultant was provided \$930 000 to develop the Forestry Industry Database and the Bureau of Rural Sciences was provided \$70 000 to produce wood flow statistics for the completed database.
4. The original cost of the consultant was \$930 000. There have been no additions to the original contract cost.
5. The original timeframe for the consultant was to deliver the project in September 2010. When the contract was signed in May 2009 the final delivery of papers and the database was revised for July 2010.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 22

Division/Agency: Climate Change Division

Topic: Carbon Farming Initiative

Proof Hansard Page: Written

Senator Colbeck asked:

1. What role has or will DAFF play in the implementation of the Carbon Farming election policy?
2. Will any DAFF resources be allocated to this program?
3. What analysis, if any, has DAFF conducted of this program and its future effectiveness?

Answer:

1. The Department of Agriculture, Fisheries & Forestry (DAFF) will be working with the Department of Climate Change and Energy Efficiency (DCCEE) which will have primary carriage of implementation and management of the Carbon Farming Initiative. DAFF will be involved with the design of the offset markets and development of methodologies.
2. This is yet to be determined.
3. DAFF will be working jointly with DCCEE to assess options to help ensure the offset market is implemented efficiently and effectively.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 23

Division/Agency: Climate Change Division

Topic: Statement of Principles – Tasmanian Forests

Proof Hansard Page: Written

Senator Colbeck asked:

1. What is the Government's response to the statement of principles released yesterday regarding Tasmanian forests?
2. Has the Government received the statement formally or informally?
3. What actions will take place following receiving this statement? Will DAFF respond to the negotiation parties?
4. Can the Minister provide a list of meetings he has had with industry or environmental organisations since the election about the Tasmanian forest negotiations?
5. Has the Minister met with any members of the Greens regarding the negotiations or related issues?
6. Has any proposal for assistance measures been received from the Tasmanian Government, industry organisations or environmental NGOs? If so, what is the status of these proposals?
7. Has DAFF put forward advice to the Minister on possible assistance measures? If so, what were the options?
8. Does DAFF have a view on term "high conservation value"? Is this a scientific term in forestry?
9. How does DAFF see this term will be applied to Tasmanian forests?

Answer:

1. The government welcomes the statement and congratulates the parties for their historically significant collaboration.
2. The statement has been provided formally by the Premier of Tasmania, the Hon David Bartlett MP, to the Prime Minister.
3. The government is considering the statement. DAFF will not respond to the signatories.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 23 (continued)

4. The Minister has met with the following on implementation of the government's commitment to provide \$20 million for Tasmanian forest contractors

Name	Position/Organisation
The Hon. Bryan Green MP	Tasmanian Minister for Energy and Resources, Primary Industries and Water
Mr Rodney Bishop	Chairman, Tasmanian Forest Contractors Association (TFCA)
Mr Ed Vincent	CEO, TFCA
Mr Colin McCulloch	Chairman, Australian Forest Contractors Association
Mr Michael O'Connor	National Secretary CFMEU
Scott McQueen	State Secretary CFMEU
Mr Paul Oosting	Wilderness Society Tasmania
Mr Phil Pullinger	Director, Environment Tasmania
Richard Stanton	A3P
Mr Allan Hansard	Chief Executive Officer, National Association of Forest Industries
Mr Bob Pearce	Chief Executive Officer, Forest Industries Federation (Western Australia) and a former National Association of Forest Industries director
Representatives from	Private Forests Tasmania
Representatives from	Tasmanian Farmers & Graziers Association
Mr Bob Gordon	Managing Director Forestry Tasmania

5. The Minister has met with Senator Bob Brown, Leader of the Australian Greens.
6. No.
7. No.
8. The term 'High Conservation Value' is commonly used by the Forest Stewardship Council to describe forests that meet criteria defined by the Council.
9. The definition of 'high conservation value' for the purposes of implementing the statement of principles is a matter for the parties.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 24

Division/Agency: Climate Change Division
Topic: National Timber Council Taskforce
Proof Hansard Page: Written

Senator Colbeck asked:

1. What regular interaction does DAFF have with the National Timber Council Taskforce?
2. Does DAFF provide any financial or in-kind assistance to the Taskforce? Has it ever provided any financial or in-kind assistance? When?
3. Have there been any requests for assistance over the past year?

Answer:

1. The Department of Agriculture, Fisheries and Forestry does not have regular interaction with the National Timber Council Taskforce.
2. See response to CC 14.
3. The department has not received any requests for assistance over the past year from the National Timber Council Taskforce.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 25

Division/Agency: Climate Change Division

Topic: Hardwood Timber production and Managed Investment Schemes.

Proof Hansard Page: Written

Senator Colbeck asked:

1. What measures is DAFF taking to encourage investment in hardwood production?
2. Can DAFF advise on the level of hardwood resource available over the next 30 years? Please provide a breakdown by State/region.
3. How does this compare with anticipated demand for hardwood timber products?
4. Does DAFF foresee increased imports of hardwood products to meet domestic demand?
5. What advice has DAFF provided to ASIC on new arrangement for Managed Investment Schemes in the lead up to and/or following the recent release of its consultation document?
6. Will DAFF be providing a submission to this ASIC process?
7. What measures, apart from MIS, does the Government currently offer to increase investment in the plantation sector?
8. Does the Department consider the level of investment in replanting and expanding the plantation estate to be adequate and what is the basis for this assessment?

Answer:

1. DAFF does not currently have any programs underway that encourage hardwood production.

In partnership with the States and Territories and industry DAFF co-funds the Vision 2020 Coordinator. The Coordinator's role is to support the *Plantations for Australia, the 2020 Vision* to enhance regional wealth creation and international competitiveness through a sustainable increase in Australia's plantation resources (Commonwealth of Australia, 2002).

2. The Bureau of Rural Sciences publication *Australia's Plantation Inventory Update 2010* (Gavran and Parsons, 2010) outlines the area of hardwood plantation established in each state and territory - http://adl.brs.gov.au/data/warehouse/pe_brs90000004201/NPIupdate2010_20100525_ap14.pdf.

The Bureau of Rural Sciences publication *Australia's Plantations: Log Supply 2005–2049* (Parsons *et al*, 2007) forecasts Australia's plantation log supply out to 2049 - http://adl.brs.gov.au/brsShop/data/log_supply_final.pdf.

3. See response to question CC 14.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 25 (continued)

4. See response to question CC 14.
5. Prior to the release of the consultation document DAFF had discussions with ASIC with regard to the collapsed forestry MIS companies and the size of the forestry resource held by those companies. DAFF discussed the relationship between *Plantations for Australia: The 2020 Vision*, and the role that forestry managed investment schemes had in achieving the objectives of the vision to date.

DAFF has not provided any advice to ASIC following the release of the consultation document.

6. No
7. In partnership with the states and territories and industry, DAFF co-funds the Vision 2020 Coordinator. The coordinator's role is to support the *Plantations for Australia, the 2020 Vision* to enhance regional wealth creation and international competitiveness through a sustainable increase in Australia's plantation resources (Commonwealth of Australia, 2002).
8. The level of investment in plantations is a matter for the market.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 26

Division/Agency: Climate Change Division

Topic: AFS & FSC certification

Proof Hansard Page: Written

Senator Colbeck asked:

1. Could DAFF please advise on the number of Australian businesses, broken down by State and whether it hardwood or softwood timber, certified under:
 - Australian Forestry Standard
 - Forest Stewardship Council

I understand as a Standards Development Organisation under Standards Australia, Australian Forestry Standard Ltd is unable to earn income from its role as the owner and developer of the Australian Forest Standards.

I am advised that AFSL is the only Standards Development Organisation (of five) not to receive ongoing Government financial support which impacts their ability to review the standard.

2. Has DAFF received any request from AFSL for funding for the review? (AFSL want between \$1.4 and \$1.5 million and then funding between revision periods to continue operating)?

Answer:

1. Certification under The Australian Forestry Standard – AS 4708—2007

Organisation	State	Forest Type ¹	Plantation type ²	Area hectares
Bunbury Treefarm Project	WA	P	HWD	14 600
Department of Environment and Resource Management (DERM)	QLD	NF		3 429 747
Elders Forestry Ltd*	Multiple- QLD, SA, TAS, VIC, WA	P	HWD	269 428
Forest Products Commission	WA	NF/P	SWD/HWD	1 225 434
Forests NSW	NSW	NF/P	SWD/HWD	2 555 681
Forestry Plantations Queensland P/L†	QLD	P	SWD/HWD	335 732
Forestry Tasmania	TAS	NF/P	HWD	1 438 619
Green Triangle Forest Products Limited	SA, VIC	P	SWD	24 221
Gunns Limited	SA, TAS	P/NF	HWD/SWD	331 433
Hancock Victorian Plantations P/L*	VIC	P	SWD/HWD	242 725
Midway P/L	VIC	P	HWD/SWD	26 557
Norske Skog	TAS	P	HWD/SWD	24 240

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Organisation	State	Forest Type ¹	Plantation type ²	Area hectares
Portland Treefarm Project	VIC	P	HWD	1 878
SFM Environmental Solutions	TAS	NF		4 415
South Australia Forest Corporation (t/as ForestrySA)	SA	P	SWD	138 400
South East Fibre Exporters P/L	NSW, VIC	P	HWD	7 161
Timberlands Pacific P/L	TAS	P	SWD	46 237
VicForests	VIC	NF		106 400
WA Plantation Resources P/L	WA	P	HWD	20 336
WACAP Treefarms P/L	WA	P	HWD	22 000
WA Sandalwood Plantations P/L	WA	P	HWD	2 269
TOTAL				10 267 513

Source: http://www.forestrystandard.org.au/files/Standards/AS4708_Register_SEPT10_comp.xls
(accessed 28/10/10)

Notes: 1 NF – Native forest; P – Plantation

2 HWD – Hardwood (mainly *Eucalyptus*); SWD – Softwood (mainly *Pinus*)

† Forestry Plantations Queensland has been sold to the Hancock Timber Resources Group and may be expected to become Hancock Queensland Plantations P/L

* Elders Forestry Ltd and Hancock Victorian Plantations have dual certification i.e. both AFS and FSC

Certification under the Forest Stewardship Council

Organisation	State	Forest Type	Area hectares
Albany Plantation Forest Company P/L	WA	P – HWD	26 766
Australian Bluegum Plantations P/L	SA, VIC, WA	P – HWD	102 957
Australian Sustainable Timbers	NSW	NF	1 278
Elders Forestry Ltd*	Multiple - QLD, SA, TAS, VIC, WA	P - HWD	204 692
Forest Stewards Australia	VIC	NF/P - HWD	404
Great Southern Timber Holdings P/L	WA	P – HWD	14 462
Hancock Victorian Plantations P/L*	VIC	P – SWD/HWD	242 725
Peter Downie, Tasberry Holding P/L	TAS	NF	6 057
Total			599 341

Source: <http://info.fsc.org/> (accessed 28/10/10)

Notes: 1 NF – Native forest; P – Plantation

2 HWD – Hardwood (mainly *Eucalyptus*); SWD – Softwood (mainly *Pinus*)

* Elders Forestry Ltd and Hancock Victorian Plantations have dual certification i.e. both AFS and FSC

2. A letter from AFS Limited dated 12/10/10 to the Minister for Agriculture, Fisheries and Forestry requests funding from the Australian Government.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 27

Division/Agency: Climate Change Division

Topic: Products affected by proposed anti illegal logging measures

Proof Hansard Page: Written

Senator COLBECK asked:

1. Can DAFF advise on the implementation of the Government's election promise to stop the sale of illegally logged wood being imported into Australia?
2. What organisations will be consulted in designing the final program and its implementation?
3. What will be the total cost of implementing this policy across the relevant organisations (DAFF and Customs)? Please provide a breakdown.
4. What discussions has DAFF had with industry organisations since the election over this policy?
5. What discussions has DAFF had with DFAT with respect to the trade issues connected to this policy?
6. Has DAFF or other agencies received feedback from other countries on the decision to go ahead with the policy? What was the content of that feedback?
7. What measures will be put in place to protect the domestic timber industry from any potential onerous or costly conditions which may be caused by World Trade Organisation (WTO) requirements?
8. Does DAFF believe there will be additional cost to importers of timber products as a result of this policy? If so, what would the compliance costs involve?
9. Will Customs be passing inspection costs on to importers?
10. Can DAFF provide advice on the operation of the schemes in the USA and the EU? What identification/certification methods are being used?
11. Are the costs of these schemes (or inspections) being passed on to importers?
12. What resources within DAFF will be used to implement this policy?
13. Has DAFF agreed the costing of this policy with Customs (who would be required to implement parts of the policy)?

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 27 (continued)

Products under the Legislation

14. Can the Department please confirm that the following imported products containing or made of timber/wood products will come under the proposed legislation:

- a. flat-packed fit-outs
- b. kitchens
- c. windows
- d. doors
- e. joinery
- f. furniture and bedding
- g. components
- h. pre-cut panels
- i. wooden-blinds
- j. pre fabricated trusses and frames
- k. wood-plastic composites
- l. flooring – timber and laminated
- m. timber
- n. veneer
- o. panels, veneered panels, melamine and foil-faced panels
- p. paper and cardboard
- q. pulp
- r. logs and fitches
- s. Other products made of/containing wood/wood-products, such as (but not limited to) skateboards, boat/yacht decking and fit-outs and coffins?

Answer:

1. The government is in the process of settling its policy position.
2. The government will consult with industry, including peak bodies and small business, as well as NGOs, on the development and implementation of the policy.
3. See answer to question one above.

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 27 (continued)

4. The department has met with the Australian Timber Importers Federation.
5. The department has received legal advice from DFAT and the Attorney General's Office of International Law regarding the relevant trade issues.
6. A number of Members of the United States Senate and the Congress of the United States wrote to the then Prime Minister, the Hon. Kevin Rudd MP, in December 2009. The letters were supportive of the government's commitments to restrict the import of illegally logged timber into Australia.

The European Commission (EC) provided a submission on 26 November 2009 in response to the release of the draft regulation impact statement (RIS) on the proposed illegal logging policy, prepared by the Centre for International Economics (the CIE). The EC submission provided technical comments on the methodology that the CIE had employed during the development of the draft RIS.

The EC submission is available online at:

www.thecie.com.au/RIS%20illegal%20logging/17%20%20EU%20submission.pdf

7. The Australian Government will consult with the domestic timber industry during the development and implementation of the policy. Any concerns that may arise as the result of WTO requirements will be handled during the course of this process.
8. See answer to question one above.
9. See answer to question one above.
10. **United States** - in the US, amendments have been made to the Lacey Act in May 2008. These amendments now make it unlawful to trade in timber that has been produced illegally in a foreign country. From December 2008, importers of timber products have had to provide an accompanying import declaration with the name of the species, the value and quantity of the timber and the name of the country in which the timber was harvested. The Lacey Act does not stipulate the need to abide to any particular identification or certification method.

The Lacey Act is administered by the US Animal and Plant Health Inspection Service. A list of frequently asked questions regarding the Act is at:

www.aphis.usda.gov/plant_health/lacey_act/downloads/faqs/Lacey_Act_Q&A.pdf

Senate Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2010

Agriculture, Fisheries and Forestry

Question: CC 27 (continued)

European Union

The European Union has two systems to address the issue of illegal logging: Voluntary Partnership Agreements (VPAs) and a due diligence regulation.

The EU is negotiating VPAs with individual major EU timber trading partners under the 2003 Action Plan on Forest Law Enforcement, Government and Trade (FLEGT) arrangement. These agreements seek to put in place, with each country, a licensing system designed to identify and license product legal for export to the EU. Unlicensed products are subject to restriction at EU border.

This licensing system will rely on capacity-building activity from the EU to set up the system in each country and, where necessary, reform laws, provide licensing scrutiny and verify legal behaviour. The system is dependent on the specific nature of each VPA, rather than established identification or certification methods.

In October 2008 the European Commission stated its intention to introduce due diligence obligations for operators who place timber or timber products on the EU market. The intention of this regulation is to complement the FLEGT system by covering timber imports from non-VPA countries.

The due-diligence regulation will require importers to undertake a risk-based process to identify, assess and then mitigate the risk of bringing illegally harvested timber into the EU. The regulation is intended for introduction in late 2012.

The European Commission has stated that the due-diligence regulation will recognise existing certification or other third party schemes that include verification of compliance for use within a risk assessment procedure.

The Proposed EU due-diligence regulations are available at:

<http://register.consilium.europa.eu/pdf/en/10/st05/st05571-ad01.en10.pdf>

Information used to inform this question on notice has been drawn from:

Brack, D., 'Combating Illegal Logging: Interaction with WTO rules', Chatham House, June 2009.

<http://www.chathamhouse.org.uk/research/eedp/papers/view/-/id/754/>

11. Please refer to the answer given to Question on Notice CC 11.
12. See answer to question one above.
13. See answer to question one above.
14. Please refer to the answer given to Question on Notice CC 12. The final scope of products is yet to be finalised.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 28

Division/Agency: Climate Change Division
Topic: Timber Importing Businesses and value
Proof Hansard Page: Written

Senator Colbeck asked:

1. Can the Department please provide a list of businesses which imported timber products into Australia in 2009/10 (or 2009 calendar year, whichever is easiest for data purposes)?
2. Does the Department have data on the level of employment across these businesses?
3. Does the Department have data on the level of employment across businesses who import timber and/or manufacture imported timber?
4. What is the total financial value of Australia's timber importing sector?
5. Can you provide a breakdown, by country, quantity, year and type of timber, imports of timber products into Australia over the past 4 years?

Answer:

1. Please refer to the answer given to Question on Notice CC 13.
2. & 3. No.
4. The total value of timber and timber product imports into Australia in 2009-10 was \$4,199,700. This figure is derived from the *Australian forest and wood products statistics* published by the Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences, with data updated for 2009-10 from the Australian Bureau of Statistics.
5. Please refer to the answer giver to Question on Notice CC 13.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 29

Division/Agency: Climate Change Division

Topic: \$20 million Tasmanian Forest Contractors

Proof Hansard Page: Written

Senator Colbeck asked:

1. What is the current status of the \$20 million for Tasmanian Forest Contractors?
2. What meetings has DAFF had with industry groups over this policy since the election? When and with who?
3. Will all of the funding be available for exit packages? If not, what other measures will be funded?
4. Will only harvest and haulage contractors be eligible for funding?
5. Will silviculture contractors be eligible for funding?
6. Will all of the funding be rolled out this financial year?
7. Is this the full amount of funding that will be available to forest contractors? Is DAFF aware that much more sizeable levels of funding may be required to properly restructure the sector?
8. What will be the administrative costs of this program? Will they be taken out of the \$20 million or absorbed by the Department?
9. What other agencies have been consulted over this policy?

Answer:

1. The government has announced the details of this program.
2. Department of Agriculture, Fisheries and Forestry officers along with Tasmanian officials have met on two occasions with forestry contractor and union representatives in Tasmania since the election.

On 22 September meetings were held with Mr Colin McCullough, Mr Ken Paget, Mr Rodney Bishop, Mr Travis Wacey and Mr Scott McQueen. Tasmanian Officials at the meetings were Mr John Dawson, Mr Andrew Blakesley and Mr Kim Creak.

On 5 October meetings were held with Mr Jack Lake, Mr Mick Stephens, Mr Col Shipley, Mr Colin McCulloch, Mr Ken Padgett and Mr Scott McQueen. Mr Kim Creak, a Tasmanian official, also attended the meetings.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 29 (continued)

- 3-7 Refer to joint press release between the Minister for Agriculture, Fisheries and Forestry and the Tasmanian Minister for Energy and Resources on 23 November 2010.
8. The administrative costs of the program will be absorbed by the department.
9. The department has discussed this policy with the departments of: the Prime Minister and Cabinet; Sustainability, Environment, Water, Population and Communities; Finance and Deregulation; the Treasury; Innovation, Industry, Science and Research; Education, Employment and Workplace Relations, Human Services, and Regional Australia, Regional Development and Local Government.

Senate Rural Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2010
Agriculture, Fisheries and Forestry

Question: CC 30

Division/Agency: Climate Change Division

Topic: Funding for Rural Services Officers

Hansard Page: Written

Senator Colbeck asked:

1. Can DAFF please provide the level of Centrelink 'drought' (rural service) officers over each of the past 5 years, broken down by State and by region?
2. Can DAFF please provide the level of funding for these officers – broken down by State – for each of the past 5 years?

Answer:

1. Please see Attachment A
2. The funding for these positions comes from a number of different sources. Some of the funding has been itemised in specific Budget measures and some has been drawn from funds of a general nature that have been directed to Centrelink for a range of service delivery purposes (for example as part of Exceptional Circumstances funding).