

Food and Agriculture
Senate Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Agriculture, Fisheries and Forestry Portfolio
Department
Additional Budget Estimates, 15 February 2005

Question: F&A 01

Topic: Sugar Sustainability Grant

Hansard Page: 10

Senator O'Brien asked:

—I want to turn to the minister's recent announcement that payment of the second tranche of sustainability grants will be delayed. Can you confirm that the amount in question is \$73 million?

Mr Pittar—The second tranche amount was \$73 million.

—Are media reports saying that this translates to an average of around \$7,000 per grower roughly accurate?

Answer:

In reality there is no exact average that can be arrived at due to the calculation of the grant moneys due to each eligible grower being determined on the basis of that grower's share of the revenues from cane based on the formula used in their supply agreement (which varies from mill to mill).

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Question: F&A 02

Topic: Breakdown of costs for the Industry Oversight Group, Regional Advisory Groups and Sugar Executive Officers

Hansard Page: 12

Senator O'Brien asked:

During estimates, Mr Mortimer, you told the committee that \$7.5 million had been allocated for the industry oversight group, the regional advisory groups and the sugar executive officers but you could not then provide a breakdown between those groups that you had funded. Can you do so now?

Answer:

The total allocation to the Industry Oversight Group, the Regional Advisory Groups and the Sugar Executive Officers is \$8 million over 5 years (or \$7.5 from 2004-05). The breakdown of the allocated \$8.0 million is as follows:

Industry Oversight Group	\$0.70 million
Regional Advisory Groups	\$0.66 million
Sugar Executive Officers	\$3.02 million
Specific projects (eg. Environmental Audit, Pilot Projects and Monitoring and Evaluation)	\$3.62 million

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Question: F&A 03

Topic: Regional Advisory Groups

Hansard Page: 12

Senator O'Brien asked:

Can you provide – and I am sure you will need to do this on notice – a list of the regional advisory groups that have actually been established and their jurisdiction, if I can put it that way?

Answer:

The following are the Regional Advisory Groups appointed and the mills they cover:

Bundaberg Regional Advisory Group –	Bingera, Isis, Millaquin and Fairymead (Closed)
Mackay Regional Advisory Group –	Farleigh, Marian, Pleystowe, Plane Creek, Racecourse and Proserpine
South Regional Advisory Group –	Rocky Point, Maryborough and Moreton (Closed)
Herbert Regional Advisory Group -	Macknade and Victoria
Far North Regional Advisory Group –	Mossman, Tableland, Mulgrave, Babinda, Mourilyan, South Johnstone and Tully
Burdekin Regional Advisory Group -	Invicta, Kalamia, Pioneer, Inkerman
NSW Regional Advisory Group –	Broadwater, Hardwood and Condong

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Question: F&A 04

Topic: Statistical breakdown of the Sugar Re-Establishment Grant

Hansard Page: 14

Senator O'Brien asked:

Can you give us a breakdown by region of the 48 successful applicants? ...Can you get us a breakdown by region of the 248 applicants, the 48 successful applicants, the 87 rejected applicants and the 113 applicants with pending applications?

Answer:

Due to the database relating to the status of applications continuously being updated, Centrelink is unable to provide a breakdown for the figures referred to by Senator O'Brien for 4 February 2005.

The table below provides a breakdown of the status of Re-Establishment Grant applications as at 24 March 2005:

Region	Claims Granted	Claims Rejected	Claims Pending	Total Claims Lodged
Northern NSW / Brisbane	5	5	7	17
Bundaberg / Maryborough	24	15	30	69
Mackay / Whitsundays	25	22	53	100
Townsville / Ayr	3	7	12	22
Ingham	5	5	14	24
Cairns/Innisfail/Tully	16	29	37	82
TOTALS	78	83	153	314

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Question: F&A 05

Topic: Budgeted uptake for the Sugar Re-Establishment Grant

Hansard Page: 15

Senator O'Brien asked:

How many farmers are expected to avail themselves of re-establishment grants in each of the out years?

Answer:

The Sugar Industry Reform Program 2004 was developed in response to the sugar industry's submissions to the Australian Government. With respect to the joint CANEGROWERS / Australian Sugar Milling Council submission, these industry representative bodies suggested re-establishment grants would be necessary for up to 1,000 cane growers. Accordingly, the Australian Government budgeted for:

- 614 recipients accessing \$100,000 in 2004-05;
- 310 recipients accessing \$75,000 in 2005-06; and
- 177 recipients accessing \$50,000 in 2006-07.

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Question: F&A 06

Topic: Regional Plans

Hansard Page: 16

Senator O'Brien asked:

Can the committee see copies of the regional plans?

Answer:

It is the decision of the Regional Advisory Groups, in consultation with the Minister for Agriculture, Fisheries and Forestry, to determine the availability of regional plans.

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Question: F&A 07

Topic: Intergenerational Transfer

Hansard Page: 18

Senator O'Brien asked:

Do you know how many intergenerational transfer events were estimated in the estimation of the \$23 million?

Answer:

The Department of Family and Community Services estimated that up to 450 eligible farms would access the Intergenerational Transfer component of the Sugar Industry Reform Program 2004 (now called the Retirement Assistance for Sugarcane Farmers Scheme).

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Question: F&A 08

Topic: Uptake of Sugar Business Planning Support versus those on Sugar Income Support

Hansard Page: 21

Senator O'Brien asked:

Can we get a breakdown of the successful applicants who were in receipt of income support and the number of successful applicants who were not in receipt of income support?

Answer:

Centrelink does not keep specific details of Business Planning Support vouchers returned by individuals, just details of vouchers returned in total. In delivering Business Planning Support to sugar industry participants, Centrelink issues a voucher to an eligible cane grower which details the "credit" available to them to claim professional business planning activities against. For example, an eligible cane grower not on income support is eligible for up to \$1,500. If this eligible cane grower seeks initial advice worth \$600, then Centrelink will then re-issue this eligible cane grower with another voucher for the remaining \$900.

In that context, Centrelink has granted 870 claims for Business Planning Support as at 4 February 2005. Of those 870 claims granted, 791 vouchers have been returned to Centrelink for payment by cane growers who were in receipt of Income Support and 283 vouchers have been returned to Centrelink for payment by cane growers who were not in receipt of Income Support. (It is noted that, as explained above, an individual representing one of the 870 claims granted could account for a multiple number of the vouchers identified above as being returned to Centrelink for payment).

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Question: F&A 09

Topic: Dairy Industry Restructuring Package

Hansard Page: 22

Senator O'Brien asked:

Now that the document is effectively in the public arena by fact that it was obtained under FOI by the Australian, could the committee be provided with a copy of it?

Answer:

Electronic copies of the independent evaluations of the Dairy Structural Adjustment Program, the Supplementary Dairy Assistance Program and the Dairy Exit Program carried out by the South Australian Centre for Economic Studies were emailed to the office of Senator O'Brien office on Wednesday 16 February 2005. That same day Senator O'Brien's office responded acknowledging receipt of the documents.

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Question: F&A 10

Topic: Citrus Canker Assistance Package

Hansard Page: 26

Senator O'Brien asked:

What is the total cost of the new assistance package? Can I get a breakdown?

Is there a breakdown between the two categories of income support and interest rate subsidies?

Answer:

The Citrus Canker Assistance Package is a demand driven program which provides for up to \$1.5 million in assistance over two years.

Up to \$100,000 is provided to the citrus industry as a whole to assist in recapturing lost markets due to the outbreak of citrus canker.

For costing purposes, up to \$1 million was allocated for interest rate subsidies, up to \$180,000 for income support and up to \$220,000 for service delivery by Centrelink.

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Question: F&A 11

Topic: Citrus Canker Assistance Package

Hansard Page: 27

Senator O'Brien asked:

Is there an estimate of how many growers are likely to take up the Commonwealth offer?

Answer:

The Citrus Canker Assistance Package is a demand driven program and eligibility depends on individual farmer circumstances.

Up to 25 growers could be eligible for some assistance with the amount payable for successful applicants dependent on the individual's circumstances.