

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 01

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks

Hansard page: 13

Senator Siewert asked:

Specifically when and where did the WEA first hear about the potential kickbacks that caused it to investigate AWB (I) contracts in Melbourne? (What paper and date?)

Answer:

The Wheat Export Authority first heard of the alleged kickbacks through an ABC Online article dated 20 May 2004.

Question no: F&A 02

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks - 2004 PMR Review

Hansard page: 15

Senator O'Brien asked:

Has there ever been a request by the Minister for clarification of information contained in the 2004 Performance review provided by the WEA concerning the matter of potential Iraq kickbacks?

Answer:

No.

The 2004 Wheat Export Authority Performance Monitoring Report provided an explanation of the allegations concerning AWB(I) potentially overpriced Iraq contracts. The explanation was based on a review of AWB(I) contracts and other documents.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 03

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks - 2004 PMR Review

Hansard page: 16

Senator O'Brien asked:

On what date in October 2004 did the WEA provide the 2004 PMR Report to the Minister?

Answer:

The report was sent to the Minister for Agriculture, Fisheries and Forestry on 15 October 2004.

Question no: F&A 04

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks

Hansard page: 17

Senator O'Brien asked:

I understand that the WEA advised the minister's office and the department that you were commencing the investigation. Is that right? Who from the WEA had that responsibility? Can you let us know who did the contacting and who in the minister's office was contacted?

Answer:

Neither the Minister for Agriculture, Fisheries and Forestry nor the Department of Agriculture, Fisheries and Forestry were notified of the Wheat Export Authority's intention to commence the review.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 05

Division/Agency: Wheat Export Authority

Topic: Board to board meeting

Hansard page: 18

Senator O'Brien asked:

Was there a Board to Board meeting between the WEA and AWB(I) in 2001-2002?

Answer:

There were three Board to Board meetings between the WEA and AWB(I) in 2001 and 2002.

Question no: F&A 06

Division/Agency: Wheat Export Authority

Topic: US Defence Contract Audit Agency report

Hansard page: 18

Senator O'Brien asked:

Just going back to the United States Defence Contract Audit Agency, you say that you have never seen the report which I referred to earlier. Mr Vaile said on 13 February 2006 that that report was addressed by the WEA when they did the review of those contracts that were conducted by AWB. Are you saying you have never seen this report?

Answer:

The Wheat Export Authority addressed the issues raised in the United States Defence Contract Audit Agency report as reported in the Australian media. See response to F&A 01.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 07

Division/Agency: Wheat Export Authority

Topic: WEA being mentioned in parliament

Hansard page: 18

Senator Faulkner asked:

When the WEA is mentioned in Parliament what happens? What do you do? Do you check it up? Do you make sure any statements made about the authority are accurate? Is that standard operating procedure?

Answer:

When the Wheat Export Authority becomes aware that it has been mentioned in Parliament all information sources are checked.

The WEA responds to the person making the statement, to correct inaccuracies and provide correct information.

If inaccurate statements had been made, the Minister's office or Department of Agriculture, Fisheries and Forestry would normally be advised.

Question no: F&A 08

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA request of Info from AWB(I)

Hansard page: 19

Senator O'Brien asked:

Can we go back to the original request of information from WEA to AWB(I): What sort of request was it? Was it a written request, an email or a telephone call?

Answer:

The Iraq information was an email request from the Wheat Export Authority with the Information Requirements Schedule (IRS) attached.

Copies of the IRS and email are attached.

[F&A 08 attachment]

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 09

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA request of Info from AWB(I)

Hansard page: 19

Senator O'Brien asked:

When you made the request did you request particular documents? Can we have a copy of that request?

Answer:

Refer to F&A 08.

Question no: F&A 10

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – Essential elements of contracts

Hansard page: 19

Senator Faulkner asked:

Mr Besley stated that essential elements of the contracts were provided in a folder. What is meant by the terminology 'essential elements of the contracts'?

Answer:

The '*essential elements of the contracts*' refer to having adequate information to reconcile the Free-On-Board (FOB) price data provided by AWB(I) with the paper contracts.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 11

Division/Agency: Food and Agriculture

Topic: Cole Inquiry – Collection of Information by DAFF

Hansard page: 20

Senator Faulkner asked:

Ms Hewitt—Yes. And could I add a further word in relation to your question about the department's preparation of materials for forwarding to the relevant authorities—in our case, through DFAT to the Cole commission. We have continued to look for information that may be relevant as the inquiry has proceeded, so our collection of information is not fully complete and we are at the moment also looking at our email record. I am not suggesting that there will be more evidence, but I wanted to let you know that that process, while it is being undertaken, is in a sense continuing.

Senator FAULKNER—That process originally kicked off as a result of—

Ms Hewitt—Of a request.

Senator FAULKNER—a request from the Prime Minister in this instance, was it?

Ms Hewitt—I think it was a written request to me from my counterpart at DFAT, as I recall. That is my recollection. If that is not correct, could I come back to you in writing on that?

Answer:

As regards to the examination of Departmental records in relation to the Cole Commission of Inquiry, the Department of Agriculture, Fisheries and Forestry (DAFF) formed a Grains Record Management taskforce on 30 January 2006. This was undertaken to ensure that DAFF could identify all relevant material.

DAFF had earlier provided documents to the Department of Foreign Affairs and Trade (DFAT), following a request of 22 September 2005 from the Acting Secretary of DFAT to review files regarding contact the Australian Government had with Australian companies that participated in the UN Oil-For-Food Programme. DAFF understands that DFAT would have considered, and provided where relevant, any of the information provided by DAFF in response to any Notice to Produce that was provided to DFAT from the Cole Commission of Inquiry.

The Department has since received a Notice to Produce, on the 17 February 2006, from the Cole Commission of Inquiry. DAFF responded with all documents known to be in its possession, and relevant to the Notice, on 27 February 2006. This included any documents that were provided to DFAT in response to the 22 September 2005 request that were relevant to the terms of the Notice to Produce.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 12

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks - WEA receiving info

Hansard page: 21

Senator O'Brien asked:

In response to the WEA's first request for documentary evidence from AWB(I), when did the WEA first receive information? Was it just a trickle or did you get a bundle of information?

Answer:

The information was received on 19 March 2004.

Question no: F&A 13

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks - WEA file note

Hansard page: 22

Senator Faulkner asked:

Mr Besley stated that upon WEA receiving information from AWB(I) in response to its request for documentary evidence, that 'a responsible officer went down, looked at it and wrote a note on file which was the basis of our inclusion of the statement about it in the report to the minister.' Could a copy of the file note be made available to the committee please?

Answer:

The "file note" is attached.

[F&A attachment 13]

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 14

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA receiving info

Hansard page: 22

Senator O'Brien asked:

Was the responsible investigating officer of WEA given a file containing 17 contracts in their entirety or parts of them?

Answer:

The officer's record of meeting does not provide details of the contracts viewed. Refer to answer on F&A 13 for the officers record of meeting.

Question no: F&A 15

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA receiving info

Hansard page: 24

Senator O'Brien asked:

What was the actual content of the folder of information provided to the responsible investigating officer of the WEA by the AWB(I)?

Answer:

The officer's record of meeting does not provide details of the contracts viewed. Refer to answer on F&A 13 for the officers record of meeting.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 16

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA awareness of trucking company

Hansard page: 24

Senator O'Brien asked:

In material received by the WEA in May or August 2004 (which you earlier described as data), was there information about a Jordanian trucking company? Given the letter dated 7 February 2006 stating that the WEA 'was made aware in mid 2004 from material in its possession that AWB(I) was supplying wheat into Iraq under an arrangement that included over land transport by a Jordanian trucking company', are you able to say what the material in the possession of WEA was?

Answer:

A facsimile from AWB(I) received on 21 May 2004.

Question no: F&A 17

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA file note

Hansard page: 32

Senator Faulkner asked:

I am aware of the note to file (written by the WEA officer who investigated). Did the file note go to the (WEA) board as well?

Answer:

The "File Note" was not presented to the Board of the Wheat Export Authority.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 18

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – WEA investigating officer

Hansard page: 32

Senator Faulkner asked:

Included in the file note are details of things such as the 17 contracts and the like. Did your investigating officer have any face-to-face discussions with AWB? Is this sort of material included in the file note?

Answer:

The officers did have face to face discussions with AWB(I) staff.

The officer's record of meeting does not provide details of the discussions. Please refer to answer on F&A 13 for the officer's record of meeting. Point 13 describes AWB(I) explanations.

Question no: F&A 19

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – Volcker

Hansard page: 34

Senator O'Brien asked:

When did the WEA review material in its possession in the context of the Volcker report?

Answer:

January 2005.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 20

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks

Hansard page: 35

Senator Siewert asked:

Could the WEA provide a list of documents that was included in the September 2005 brief to DFAT?

Answer:

The DFAT request was received in September 2005. WEA provided a total of 15 documents to DFAT on the following dates:

7 October 2005:

1. WEA Consultative Group Meeting 9 (4/4/03) Outcomes.
2. WEA Brief Note (4/03) – Iraq.
3. Spreadsheet of AWB(I) FOB Sales Contract Data 99/00.
4. Spreadsheet of AWB(I) FOB Sales Contract Data 00/01.
5. Spreadsheet of AWB(I) FOB Sales Contract Data 01/02.
6. National Pool Export Sales 02/03.
7. 02/03 Annual Report to AWB(I) Limited (extract – pages 27-29, 33, 55).
8. AWB(I) Market Brief – dated 22 Oct 02.
9. AWB(I) Market Brief – dated 8 Nov 03.
10. Export Permit System for Container/Bagged Shipments – AWB(I) Policy for Assessment of Market Allocations and Permit Applications (document marked draft).
11. Brief Summary of Impact of Drought on the National Pool.

11 October 2005:

12. Extracts from 99/00 WEA Performance Monitoring Report.
13. Extracts from 00/01 WEA Performance Monitoring Report.
14. Extracts from 02/03 WEA Performance Monitoring Report.
15. Extracts from 03/04 WEA Performance Monitoring Report.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 21

Division/Agency: Food and Agriculture

Topic: Terms of Reference for 2004 Wheat Review

Hansard page: 38

Senator Siewert asked:

Mr Mortimer—As far as I know, it did not. I do not think that was considered to be within its terms of reference. It might be helpful if we get the terms of reference of that review to you, but it was essentially a broad based review of the operation of the structural arrangements and the particular outcomes of those resulting from AWBI holding the export monopoly under the legislation.

Senator SIEWERT—If you could get me the terms of reference, that would be useful.

Answer:

Terms of reference for the 2004 Wheat Marketing Review were issued by the Hon Warren Truss MP, former Minister for Agriculture, Fisheries and Forestry on 24 December 2003. A copy of the Terms of Reference is attached for the information of the Rural and Regional Affairs and Transport Legislation Committee.

[F&A 21 attachment]

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 22

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks

Hansard page: 40

Senator Siewert asked:

Who were the Grains Council representatives on the Wheat Export Authority Board in 2004?

Answer:

During 2004, the Grains Council of Australia nominees appointed by the Minister included:

- Mr Malcolm Heath for the entire year;
- Mr Jim Flockhart for the period 1 January to 30 June 2004; and
- Mr Leith Cooper from 1 July to 31 December 2004.

Question no: F&A 23

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks

Hansard page: 40

Senator O'Brien asked:

Was a report given by the WEA to the GCA particularly at the 2004 Grains Council meeting, on the investigation into the allegations of kickbacks?

Answer:

No.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 24

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks – USDCA report 2003

Hansard page: 43

Senator Faulkner asked:

Could you confirm that the WEA did not have access to the United States Defence Contract Audit report of 2003?

Answer:

The Wheat Export Authority confirms that it did not have access to the United States Defence Contract Audit report of 2003 in preparing the 2004 Performance Monitoring Report.

Question no: F&A 25

Division/Agency: Wheat Export Authority

Topic: Potential Iraq kickbacks

Hansard page: 43

Senator O'Brien asked:

I wish to go back to the point I was raising earlier. The material that the Wheat Export Authority had—if I can be clear on this—did not contain material about the value of the contracts for the transportation of wheat within Iraq.

Did the Wheat Export Authority's officer ask to have access to that material and AWB(I) refuse to provide it?

Answer:

The Wheat Export Authority had no material identifying the value of the inland transport component of sales to Iraq. As such, the Wheat Export Authority officer did not request access to that material.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 26

Division/Agency: Wheat Export Authority

Topic: ECA Working Group meetings

Hansard page: 51

Senator Milne asked:

How often did the Export Consents Arrangements Working Group meet?

Answer:

The export consent working group had 13 meetings in total, 5 in-person meetings and 8 teleconferences, from 21 March 2005 to 25 August 2005.

Question no: F&A 27

Division/Agency: Wheat Export Authority

Topic: WEA investigations of AWB contracts

Hansard page: 56

Senator Siewert asked:

How many times has the WEA sent people to AWB to investigate their contracts?

Answer:

Once.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 28

Division/Agency: Wheat Export Authority

Topic: WEA role

Hansard page: 57

Senator Siewert asked:

Could the WEA make available to the committee a copy of a legal interpretation of WEA's role? (Subject to the Minister's clearance)

Answer:

The WEA sought legal advice from the Australian Government Solicitor on 19 April 2001 on the WEA's performance monitoring role.

A copy of the legal advice (non-relevant material omitted) is attached.

[F&A 28 attachment]

Question no: F&A 29

Division/Agency: Food & Agriculture

Topic: Sugar Industry Reform Programme 2004 – Regional and Community Projects Round 2

Hansard page: 60

Senator O'Brien asked:

How much in total is being sought under the current scheme through the applications currently awaiting processing?

Answer:

Under the current round of the Regional and Community Projects, Round 2, forty seven (47) applications have been lodged and the total funding applied for is \$73,899,461.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Budget Estimates Feb 2006

Agriculture, Fisheries and Forestry

Question no: F&A 30

Topic: South Johnstone Mill

Hansard Page: 63

Senator O'Brien asked:

Is that the subject of legal advice to the department?

Can you let us know who provided it and provide a copy to the committee?

Answer:

Yes. The Department did obtain legal advice concerning the enforceability of the terms of settlement regarding the growers who did/did not sign up to those terms of settlement.

Legal advice was provided by the Australian Government Solicitor and Counsel representing the Commonwealth. The terms of settlement reached between all parties involved in the Supreme Court proceedings in Queensland are confidential. Since the advice was obtained as part of the process leading to the terms of settlement the advice should not now be disclosed.